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1958 MARKET RE-ANALYSIS OF
REDEVELOPMENT AREA "E"

PREPARED FOR
THE SAN FRANCISCO
CITY PLANNING COMMISSION

PREPARED BY
WESTERN REAL ESTATE RESEARCH CORP.
LOS ANGELES, CALIFORNIA

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WESTERN REAL ESTATE RESEARCH CORP.

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ROBERT B. FILLEY
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LOCATION AND INVESTMENT SPECIALISTS

REAL ESTATE RESEARCH CORPORATION
CHICAGO, ILLINOIS

April 29, 1958

Mr. Roger Lapham, Jr. President
City Planning Commission
100 Larkin Street
San Francisco 2, California

Dear Mr. Lapham:

We take pleasure in transmitting a detailed report containing our findings, recommendations and conclusions in regard to the current market for land in Redevelopment Area "E". This report has brought up to date the findings of our original report submitted to you two years ago.

This report would not be possible without the contribution of a number of informed individuals and organizations such as the Chamber of Commerce of San Francisco, Building Owners and Managers Association of San Francisco, Apartment House Industry of San Francisco, and Hotel Employers Association of San Francisco; various levels of government; and representative engineering, architectural and real estate management firms.

It was satisfying to note how closely the excellent Skidmore, Owings & Merrill report entitled "The Golden Gateway" paralleled the recommendations of our original report.

We enjoyed this assignment and wish to express our gratitude to the staff of the Department of City Planning of the City and County of San Francisco for their voluntary and enthusiastic cooperation and assistance in the assembling of required data for this report. We wish to particularly express our appreciation to Paul Oppermann, James R. McCarthy, William Proctor and Miss Marie Carlberg. Our studies were under the direction of Mr. Carl G. Lans, AIA.

While the object of this assignment was to bring our original report up to date, we have nevertheless attempted to prepare it in such a way that it can be read and understood without necessary constant reference to the original report.

WESTERN REAL ESTATE RESEARCH CORP.

Mr. Roger Lapham, Jr.

-2-

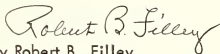
April 29, 1958

The results of this report are virtually the same as those expressed in the original report, and with the passing of two years the need for the development of Area "E" appears to have become still more important.

We stand ready to elaborate upon our conclusions or to consult with the Commission, if desired.

Respectfully submitted,

WESTERN REAL ESTATE RESEARCH CORP.

A handwritten signature in cursive script, reading "Robert B. Filley".

by Robert B. Filley
Vice President

Dr. [Name]

June 19, 1914

Dear Sir:

I have received your letter of June 17, 1914, regarding the matter of the [illegible] and am sorry to hear that you are not satisfied with the results of the [illegible].

I am sure that the [illegible] will be of great benefit to you and your patients, and I am sure that you will be able to [illegible] the [illegible] in the [illegible] of the [illegible].

I am sure that the [illegible] will be of great benefit to you and your patients, and I am sure that you will be able to [illegible] the [illegible] in the [illegible] of the [illegible].

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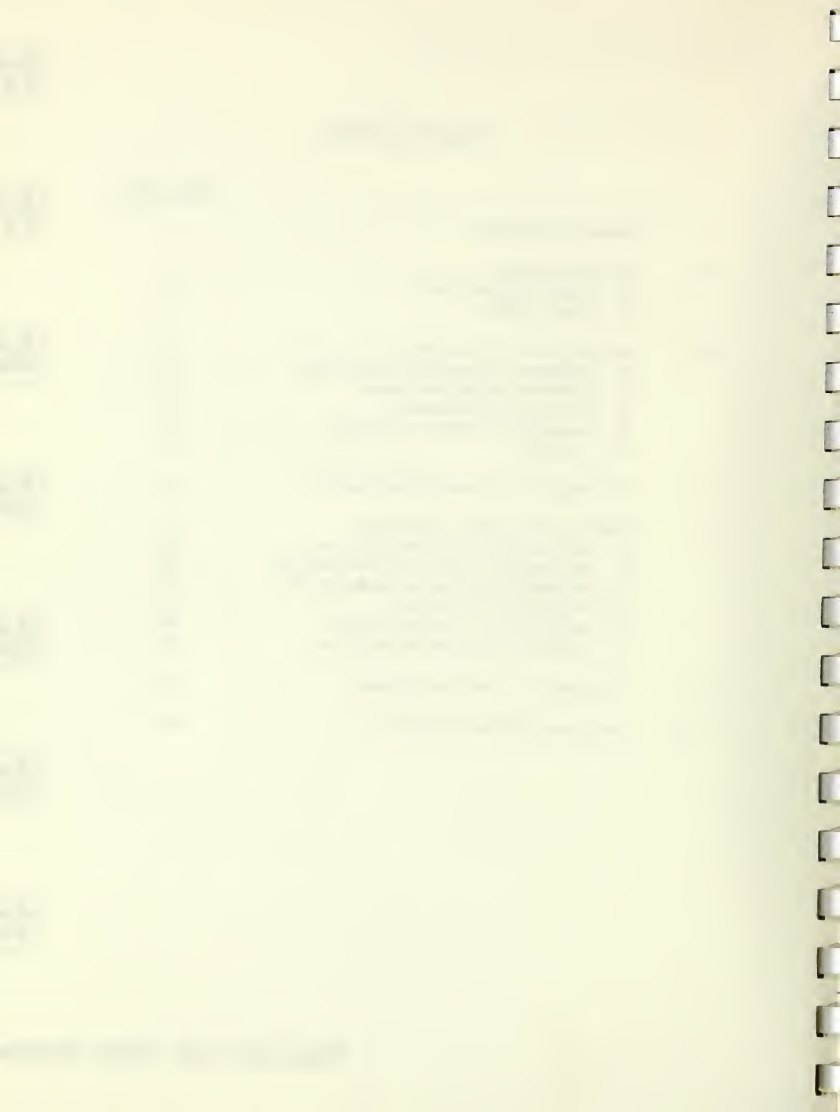
I am sure that the [illegible] will be of great benefit to you and your patients, and I am sure that you will be able to [illegible] the [illegible] in the [illegible] of the [illegible].



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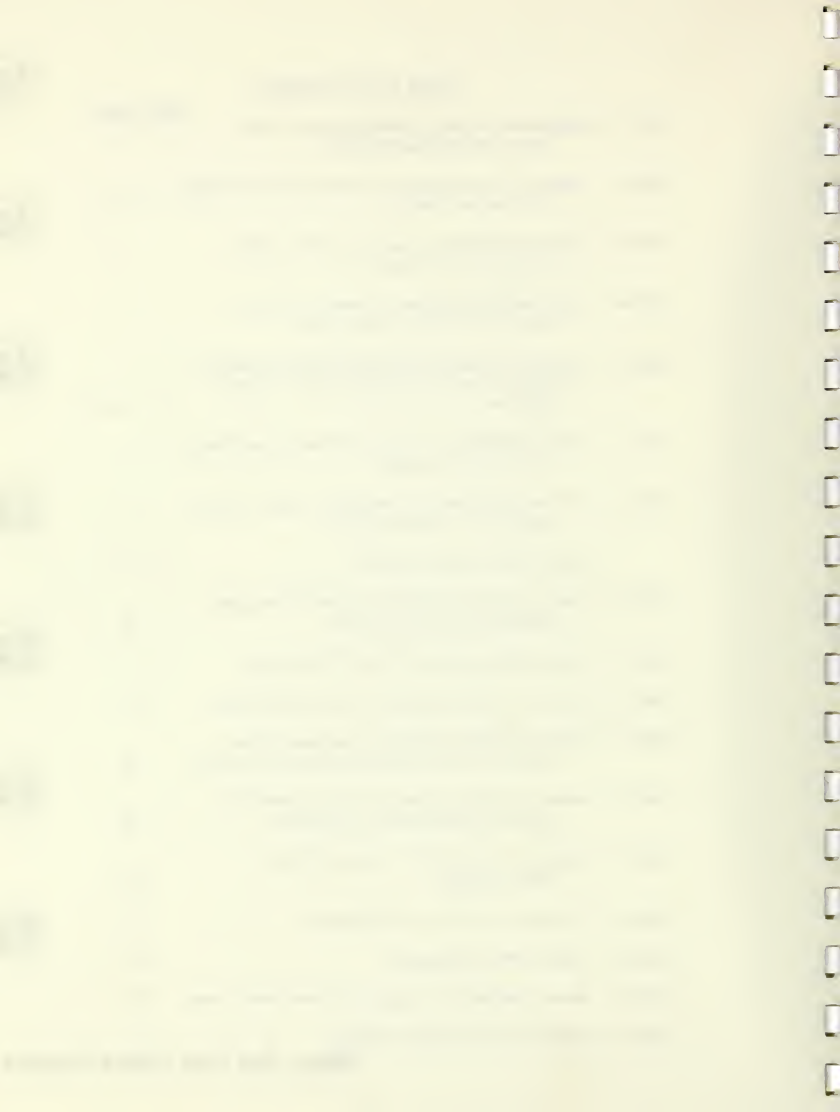




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1958 Market Analysis - San Francisco Area "E"

I. NATURE OF ASSIGNMENT



A market analysis of Redevelopment Area "E" was made by the Western Real Estate Research Corporation in May, 1956, for the City Planning Commission of the City and County of San Francisco. This analysis was the result of an intensive study for the purpose of determining the most economically productive use of the Area following its redevelopment.

With the passage of almost two years, the client has requested that data on current conditions be evaluated, and the necessary field studies be instituted to determine whether any changes in our original conclusions are warranted because of changes and developments which have taken place in the area since the original report was submitted.



II. BASES OF DEDUCTION



A. Scope of Original Study

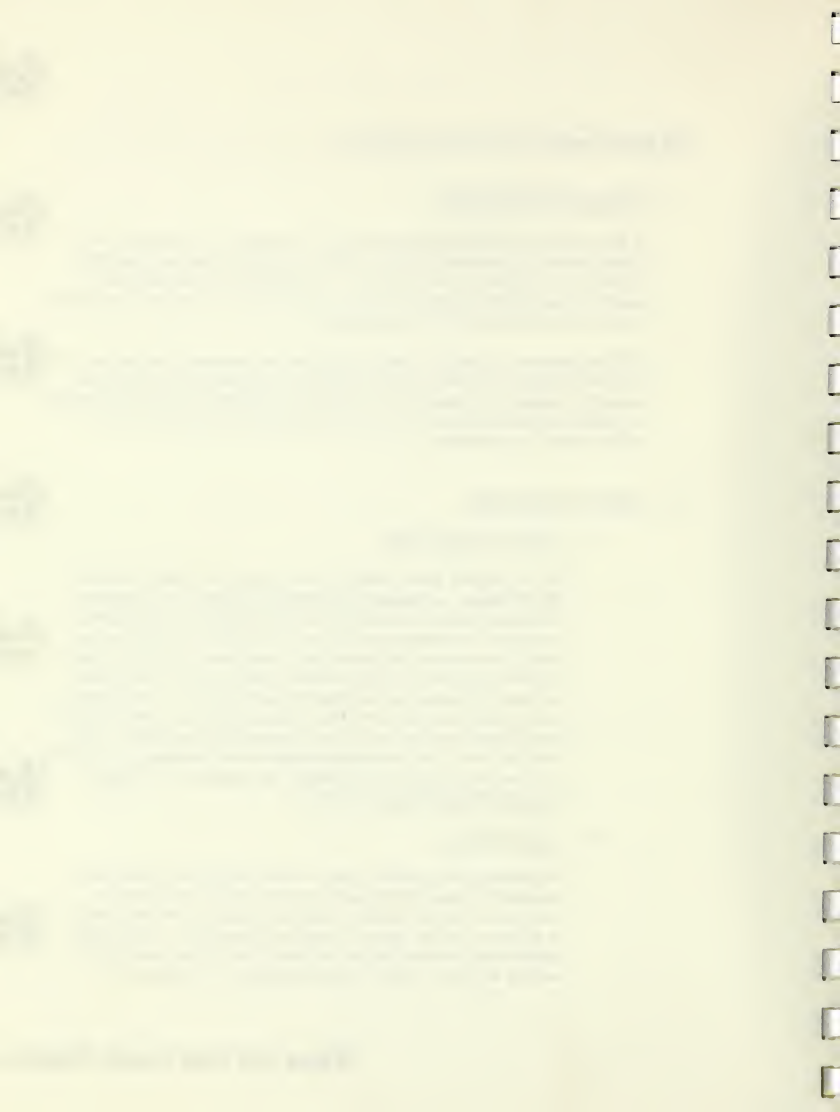
For the original study, special surveys were conducted to compile the following: a complete and detailed inventory of all land and floor space within the existing Financial-Administrative District; a census of the working population in the District; current and past trends in occupancy and rentals for all multi-tenant buildings; the attitudes of persons working downtown toward high-rise apartments in the project area; and the supply of parking stalls in lots, garages, and on the streets within the Project Area, the Financial-Administrative District, and the ring of blocks surrounding these areas. From these and other data were made evaluations of the economic feasibility of numerous use types as described in the report entitled Market Analysis of Redevelopment Area "E"



B. Current Studies

In preparing this up-dated report we have taken into consideration the general characteristics and conditions which were found to exist at the time the original report was prepared, and have brought up to date statistical data with respect to population, employment, construction, vacancy factors and conditions as they were found to exist as of March, 1958, through interviews with agencies of





1958 Market Analysis - San Francisco Area "E"

government, Chamber of Commerce, various research organizations, and management firms, with the cooperation of staff members of the Department of Planning.

III. ECONOMIC BASE OF THE BAY AREA

A. Employment Characteristics and Growth

A 5.9 percent overall increase in employment by industry group in the seven Bay Area counties since January, 1956 (notwithstanding the fact that agriculture had declined 9.3 percent) is shown in Table 1 on page 3 of this report. The latest data available were as of January, 1958.

This indicates a continued increase in employment by industry group of approximately three percent per year since January, 1956. During the earlier period studied --- from April, 1950 to January, 1956 --- the annual employment increase by industry group was at the rate of 3.5 percent per annum, showing a continued, steady growth, at approximately the same rate as that revealed in the original report. A preliminary report for February shows a decline in employment during that month. A considerable portion of this decline was attributable to unusually severe weather during that month and to national trends, but a reversal is expected by fall.

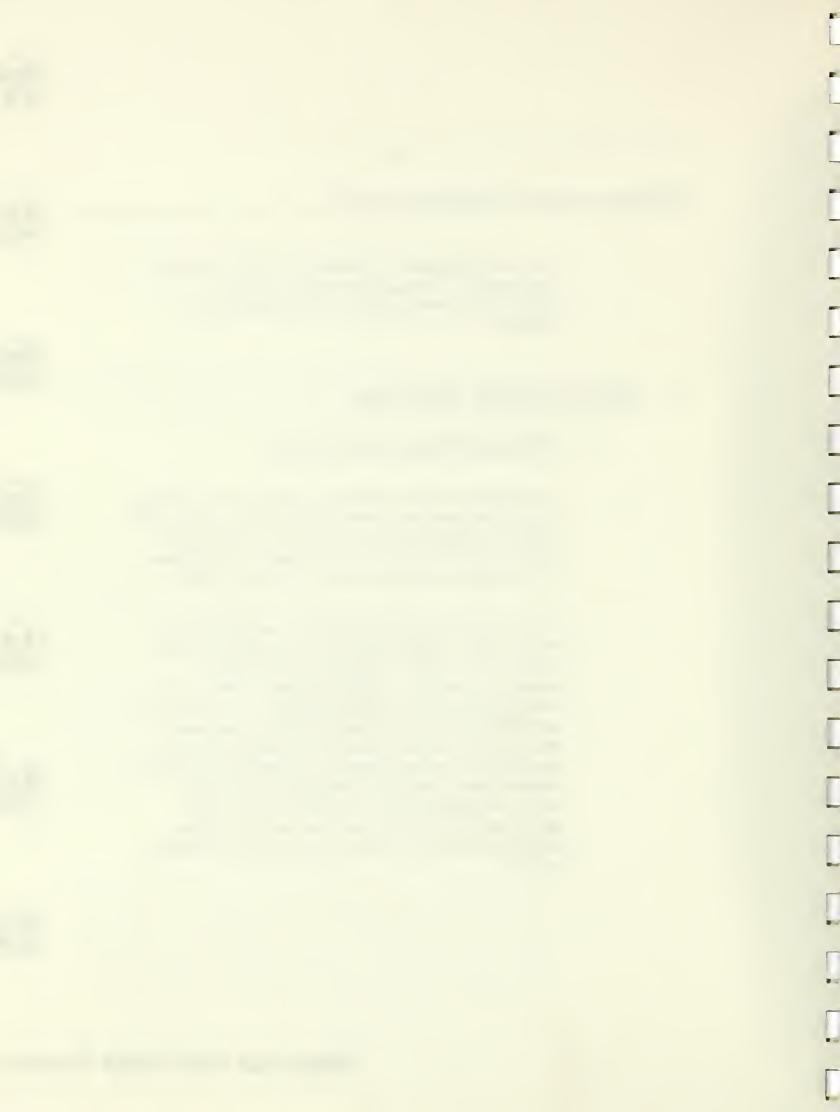


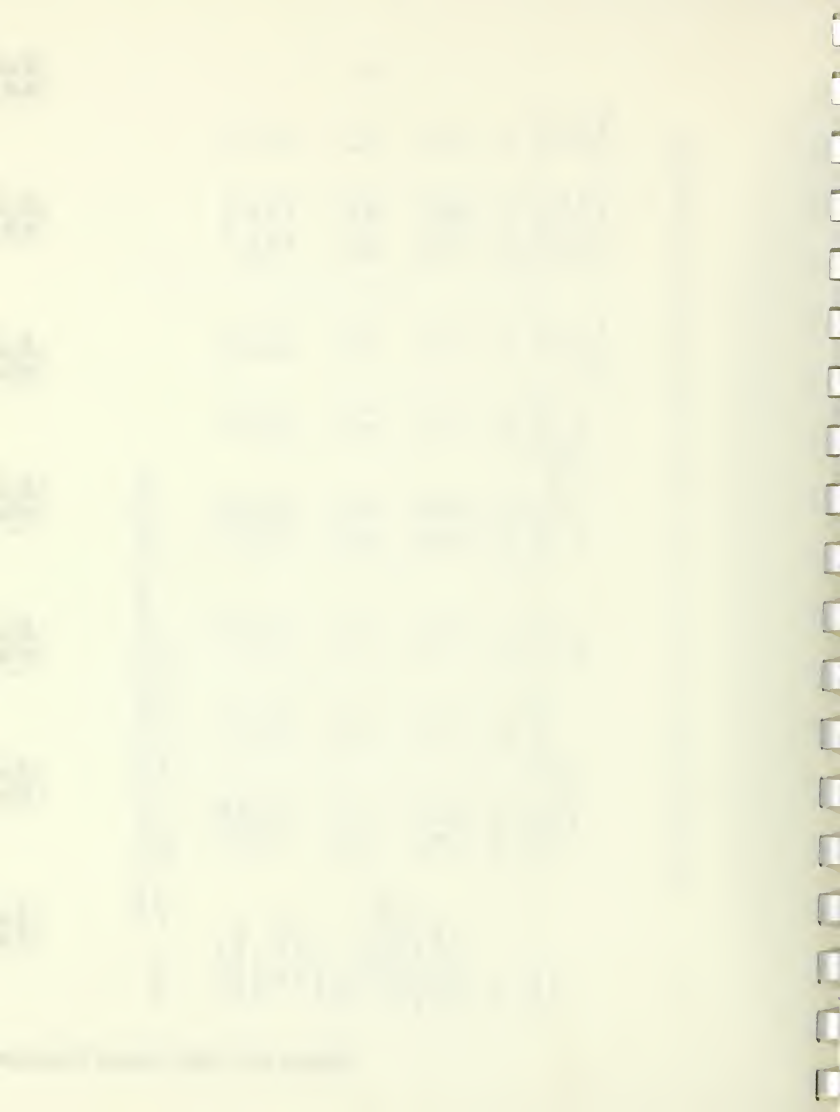
TABLE 1

EMPLOYMENT GROWTH BY INDUSTRY GROUP IN SEVEN COUNTY SAN FRANCISCO BAY AREA

Industry Group	Employment April 1950		1950 U.S. Urban		Estimated Employment January 1956		Per Cent Change Since 4/50		Estimated Employment Jan. 1959		Per Cent Change Since 1/59	
	Number	Per Cent	Number	Per Cent	Number	Per Cent	Number	Per Cent	Number	Per Cent	Number	Per Cent
Total	965,389	100.0	1,159,800	100.0	1,227,900	100.0	20.1	20.1	1,227,900	5.9	5.9	5.9
Agriculture	29,447	3.0	29,000	2.0	26,300	2.5	-1.5	-1.5	26,300	-9.3	-9.3	-9.3
Construction	70,978	7.4	72,300	6.2	77,200	6.2	1.8	1.8	77,200	6.8	6.8	6.8
Manufacturing	191,411	19.8	238,400	29.4	249,100	20.5	24.5	24.5	249,100	4.5	4.5	4.5
Transportation, Communication, Utilities	100,184	10.4	120,100	9.0	127,100	10.4	19.9	19.9	127,100	5.8	5.8	5.8
Trade	219,507	22.7	273,400	21.9	287,200	23.6	24.6	24.6	287,200	5.0	5.0	5.0
Financial, Insurance, Real Estate	57,735	6.0	71,900	4.4	74,200	6.2	24.5	24.5	74,200	3.2	3.2	3.2
Service	211,011	21.9	257,700	20.6	283,100	22.2	22.1	22.1	283,100	9.9	9.9	9.9
Government	73,888	7.6	94,200	5.2	100,300	8.1	27.5	27.5	100,300	6.5	6.5	6.5
All Other	11,228	1.2	2,800	1.3	3,400	0.2	-75.1	-75.1	3,400	21.4	21.4	21.4

Sources: April, 1950 U.S. Census of Population
January, 1956 and 1958 California Department of Employment







1958 Market Analysis - San Francisco Area "E"

Table 2 reveals certain items on employment trends in San Francisco County of special significance to the area under study. While the population in San Francisco County grew an estimated one percent during the period from July, 1950 to July, 1957, the total employment in the same area increased 7.6 percent, as reported by the California State Department of Employment. An even greater increase --- 22.9 percent was reported for employment in the financial, insurance and real estate industry group. This category being that which, more than any other, concerns the market for expansion of the Financial-Administrative District into Redevelopment Area "E".



The table also clearly indicates that as industrial growth takes place in the Bay Area, outside of San Francisco, financial, industrial and real estate employment grows proportionately in the central city. The decrease of 12.2 percent in construction employment is, of course, attributable to the decline in home building and the fact that the city was running out of buildable land. It is believed this trend will be arrested or perhaps reversed, as the currently proposed construction of new downtown buildings get underway.



San Francisco's population increased about four percent from 1950 to 1954, as seen in Table 2. However, between 1954 and 1957, a three-point decline occurred, so that in 1957 the city's population was only about one percent higher than in 1950. These population trends, particularly when coupled with the appreciable increases in employment, point out the inadequacy of available living accommodations and a need for an increase in the inventory of dwelling units in San Francisco.



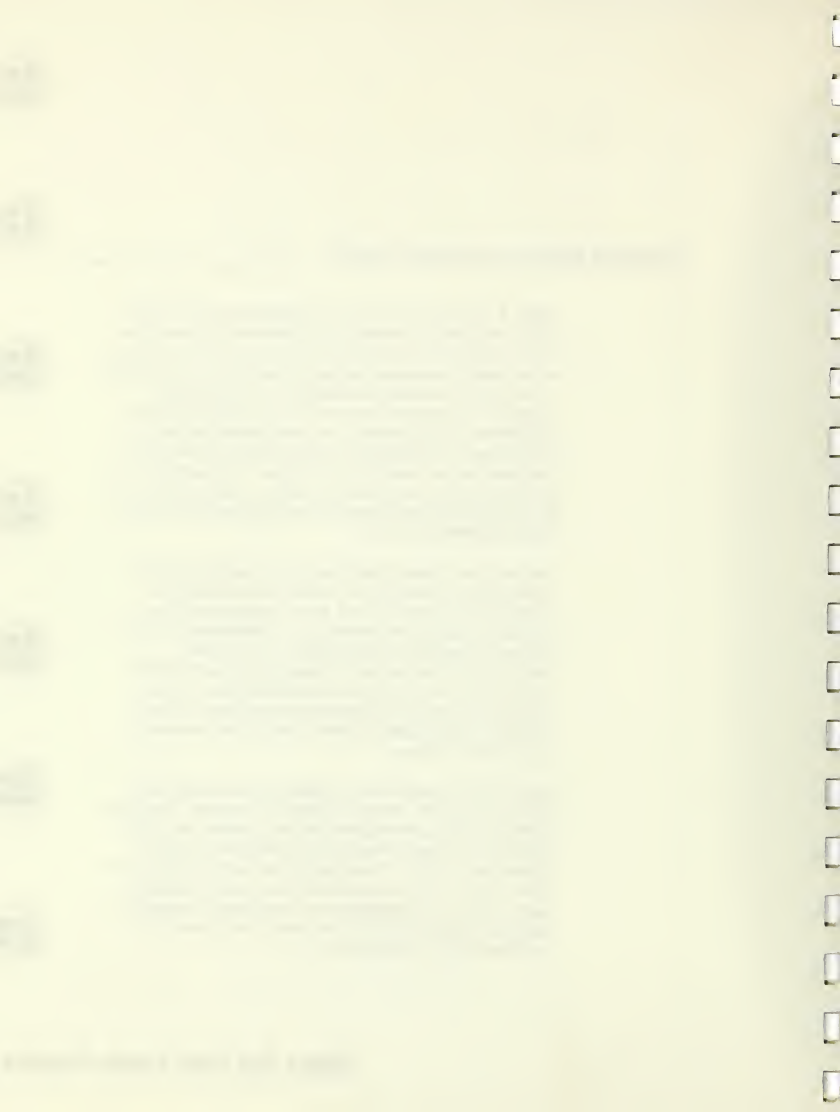


TABLE 2

EMPLOYMENT AND POPULATION GROWTH BY INDUSTRY GROUP
SAN FRANCISCO COUNTY

Industry	Total Employment (in thousands) - July					Per Cent	Per Cent
	1950	1954	1955	1956	1957	Change Since 1950	Change Since 1955
Total	448.2	458.6	467.8	476.4	482.2	7.6%	3.1%
Construction	27.1	23.4	22.9	25.1	23.8	-12.2%	3.9%
Manufacturing	73.3	77.4	79.6	78.2	80.9	10.4%	1.6%
Transportation, Communication, Utilities	58.7	58.6	58.8	60.5	63.5	8.2%	8.0%
Trade	123.2	121.3	123.2	125.5	124.6	1.1%	1.1%
Finance, Insurance, Real Estate	38.9	44.1	45.0	45.9	47.8	22.9%	6.2%
Service	89.8	94.2	94.9	96.9	99.4	10.7%	4.7%
Government	35.7	38.5	42.4	43.1	40.9	14.6%	-3.5%
All Other	1.5	1.1	1.0	1.2	1.3	-13.3%	30.0%
Total Population	768.5	798.3	788.8	783.1	776.0	1.0%	-1.6%

Sources: California Department of Employment



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B. Location of Employment Growth

Table 3, Employment Growth by County in the Seven County - San Francisco Bay Area* shows a continued growth since April, 1955, to September, 1957, with Santa Clara at 55.0 percent in the lead, representing over one-third of the growth of the entire seven-county area. The September, 1957 figures, provided by the California State Department of Employment were the latest figures available. These have not yet been published and they must be qualified by the fact that they strongly reflect the seasonal upsurge of employment during the beginning of the fourth quarter. However, since they include only insured employees, and exclude agricultural, government, railroad, domestic, non-profit institutional and self-employed, they nevertheless indicate a continuous growth.

Employment trends in the key "basic industry" --- manufacturing --- in the seven counties is shown in Table 4. The April, 1957, figures as compared with April, 1955, show a steady growth in all counties except Solano, which, however, shows an increase in September, 1957. Again, these September figures reflect a seasonal increase.

While this report is concerned with long-term influences, the current picture must also be considered, especially what effect the current economic recession may have on the normal annual employment growth and office space absorption.

Consultations with pertinent officials of the San Francisco office of the California State Department of Employment indicated that there was a steady growth of employment during the three-year period from the latter part of 1954 to October, 1957, after which a marked downward trend took place, as revealed by the unemployment rolls. This trend was attributable to:

- a) Sharp defense cutbacks, and
- b) Detrioration of construction demand during 1957,

*Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Solano Counties.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, which supports the hypothesis that was tested.

4. The fourth part of the document discusses the implications of the findings for future research and practice. It suggests that the results of this study could be used to inform policy decisions and to guide the development of new programs and initiatives.

5. The fifth part of the document provides a conclusion and a summary of the key points. It reiterates the importance of the study and the need for further research in this area.

6. The sixth part of the document includes a list of references to the sources used in the study. It also includes a list of appendices that provide additional information and data.

7. The seventh part of the document is a list of figures and tables that are included in the study. It provides a brief description of each figure and table and explains how it is used to present the data.

8. The eighth part of the document is a list of footnotes that provide additional information and references. It also includes a list of abbreviations and a list of symbols that are used in the document.

9. The ninth part of the document is a list of acknowledgments that thank the individuals and organizations that provided support and assistance during the study.

10. The tenth part of the document is a list of appendices that provide additional information and data. It includes a list of tables and figures that are not included in the main body of the document.

TABLE 3

EMPLOYMENT* GROWTH BY COUNTY IN SEVEN COUNTY SAN FRANCISCO BAY AREA

Area Covered	April, 1955		April, 1957		Net Change Since 4/55		Sept., 1957**		Percent Change Since 4/55
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
San Francisco Metropolitan Area 7 Counties	751,064	100.0%	828,716	100.0%	77,652	10.3%	873,553		16.3%
San Francisco	319,124	42.5%	338,262	41.0%	19,138	6.0%	342,992		7.5%
Alameda	201,932	26.9%	216,421	26.1%	14,489	7.2%	228,604		13.2%
Contra Costa	58,507	7.8%	62,789	7.6%	4,282	7.3%	64,825		10.8%
Marin	12,636	1.7%	14,183	1.7%	1,547	12.2%	15,096		19.5%
San Mateo	64,179	8.5%	80,276	9.6%	16,097	25.1%	81,532		27.0%
Solano	12,545	1.7%	12,080	1.4%	- 465	- 3.7%	13,158		4.9%
Santa Clara	82,141	10.9%	104,705	12.6%	22,564	27.5%	127,346		55.0%

* This table includes insured employment only and excludes: self-employed, Government (Federal, State and Local), railroad, agriculture, domestic, non-profit institutions.

** September, 1957 figures are the latest available and not yet published. Reflects considerable seasonal increase.

SOURCE: California Department of Employment.



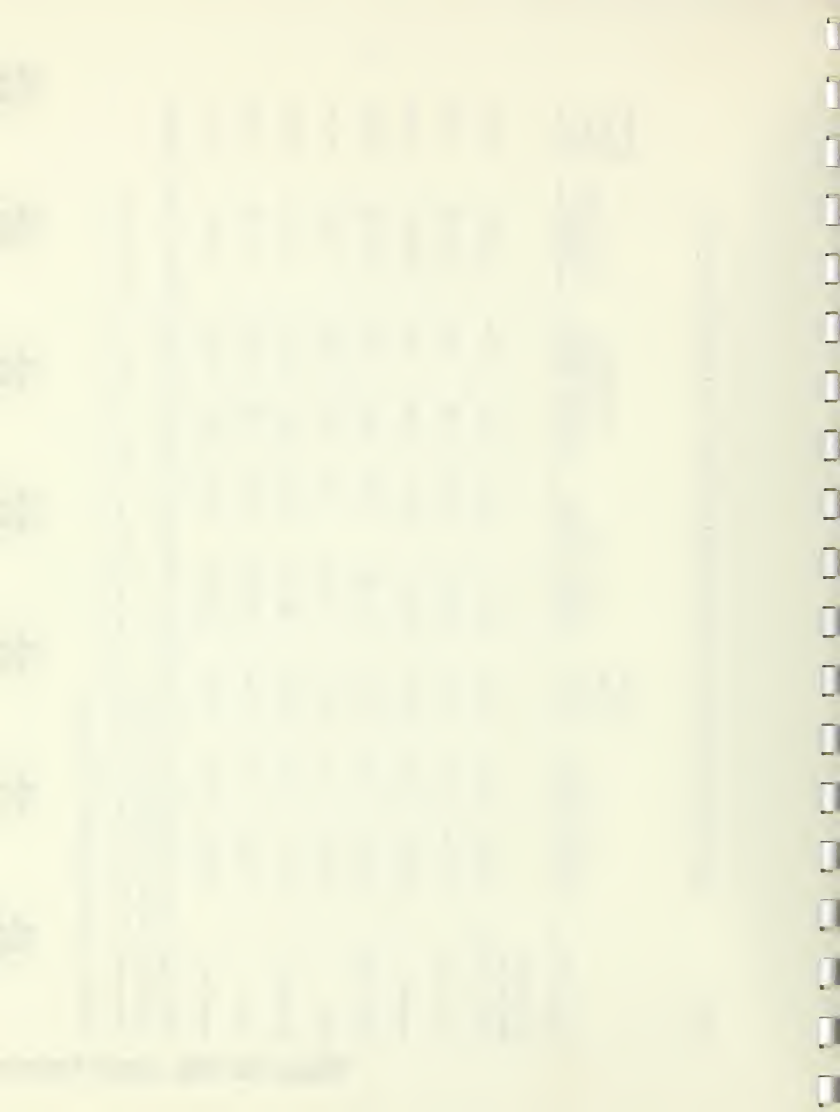


TABLE 4

MANUFACTURING EMPLOYMENT GROWTH BY COUNTY IN SEVEN COUNTY
SAN FRANCISCO AREA

Area Covered	April, 1955		April, 1957		Net Change Since 4/55		Sept., 1957*		Percent Change Since 4/55
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
San Francisco Metropolitan Area 7 Counties	210,418	100.0%	235,553	100.0%	25,135	11.9%	262,534	24.8%	
San Francisco	66,183	31.4%	67,748	28.8%	1,565	2.4%	69,139	4.5%	
Alameda	65,993	31.4%	70,185	29.7%	4,192	6.4%	80,478	21.9%	
Contra Costa	27,558	13.1%	29,345	12.4%	1,787	6.5%	29,904	8.5%	
Marin	1,019	0.5%	1,484	0.6%	465	15.6%	1,416	39.0%	
San Mateo	17,646	8.4%	24,347	10.4%	6,701	38.0%	24,039	36.2%	
Solano	1,732	0.8%	1,696	0.7%	- 36	- 2.1%	2,129	22.9%	
Santa Clara	30,287	14.4%	40,748	17.4%	10,461	34.5%	59,429	96.2%	

*September, 1957 figures are the latest available and not yet published. Reflects considerable seasonal increase.

SOURCE: California Department of Employment.



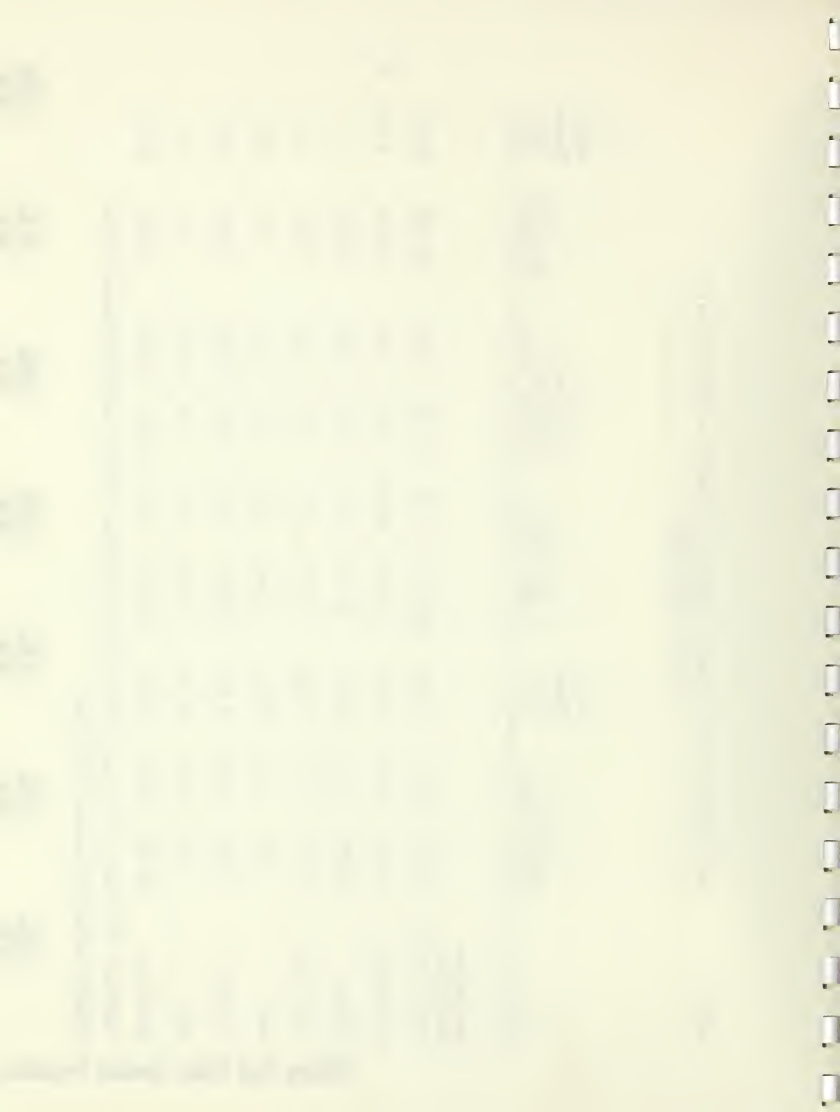


TABLE 5 NUMBER OF RESIDENTIAL DWELLING UNITS AUTHORIZED BY BUILDING PERMITS
SEVEN COUNTY SAN FRANCISCO BAY AREA --- NOVEMBER 1949 -DECEMBER 1957

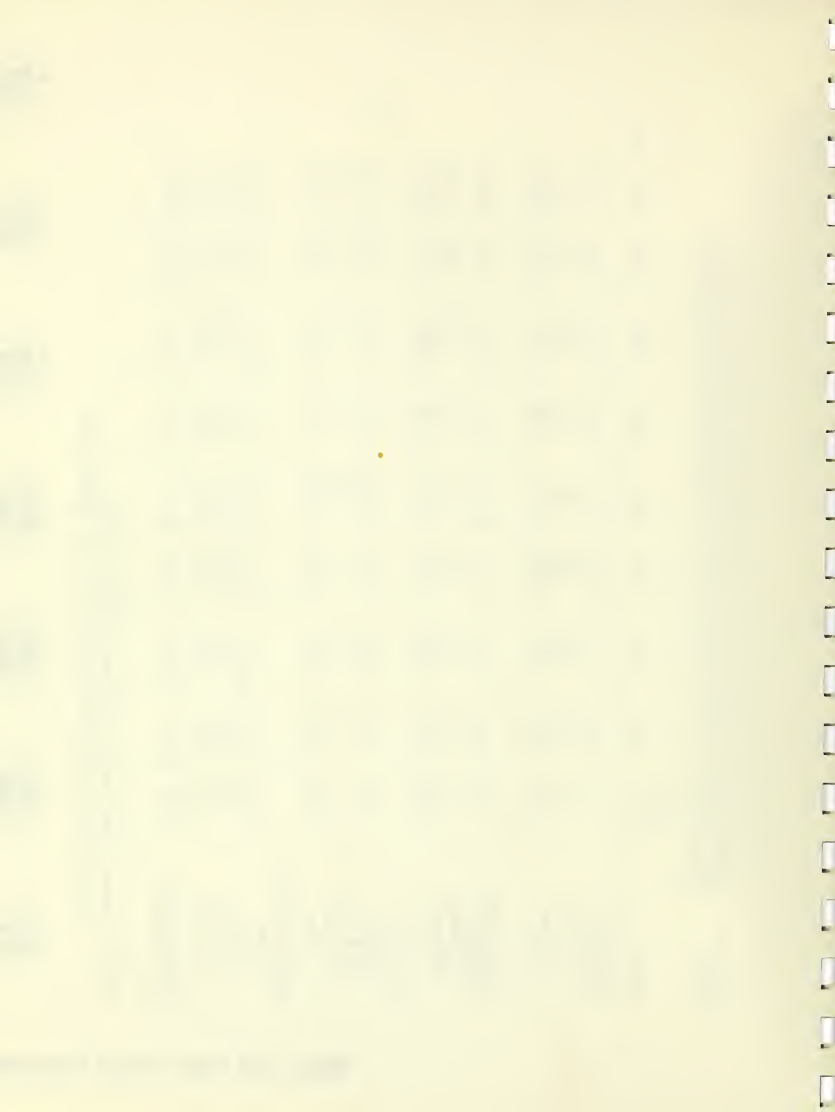
	Nov. Dec. 1949	1950	1951	1952	1953	1954	1955	1956	1957
ALAMEDA									
1 family	1,081	6,558	5,535	4,667	4,343	6,156	8,147	5,403	4,194
2-4 family	157	962	1,101	1,463	1,040	614	546	2,238	2,839
5 and more	20	511	556	535	487	829	1,107		
Total	<u>1,258</u>	<u>8,031</u>	<u>7,192</u>	<u>6,665</u>	<u>5,870</u>	<u>7,599</u>	<u>9,800</u>	<u>7,641</u>	<u>7,033</u>
CONTRA COSTA									
1 family	626	7,244	3,966	4,631	5,278	5,351	5,941	4,274	2,486
2-4 family	45	408	781	680	411	192	214	412	716
5 and more	17	25	33	151	45	72	153		
Total	<u>688</u>	<u>7,677</u>	<u>4,780</u>	<u>5,462</u>	<u>5,734</u>	<u>5,615</u>	<u>6,308</u>	<u>4,686</u>	<u>3,202</u>
MARIN									
1 family	151	1,941	1,524	1,044	1,310	2,163	2,626	1,909	1,211
2-4 family	6	174	61	252	56	102	138	312	334
5 and more	-	104	67	144	6	110	159		
Total	<u>157</u>	<u>2,219</u>	<u>1,652</u>	<u>1,440</u>	<u>1,372</u>	<u>2,375</u>	<u>2,923</u>	<u>2,221</u>	<u>1,545</u>
SAN FRANCISCO									
1 family	273	2,245	1,234	947	801	1,032	1,050	825	733
2-4 family	66	427	305	180	244	273	291	423	639
5 and more	314	876	152	1,245	1,065	1,057	614		
Total	<u>653</u>	<u>3,548</u>	<u>1,691</u>	<u>2,372</u>	<u>2,110</u>	<u>2,362</u>	<u>1,955</u>	<u>1,248</u>	<u>1,372</u>



TABLE 5
(Con't)
NUMBER OF RESIDENTIAL DWELLING UNITS AUTHORIZED BY BUILDING PERMITS
SEVEN COUNTY SAN FRANCISCO BAY AREA --- NOVEMBER 1949 - DECEMBER 1957

County	Nov. Dec.		1950	1951	1952	1953	1954	1955	1956	1957
	1949									
SAN MATEO										
1 family	997	7,209	5,122	4,805	4,525	7,044	7,492	4,051	2,404	
2-4 family	64	478	635	638	489	471	407	1,097	1,911	
5 and more	38	904	583	285	637	504	512	5,148	4,315	
Total	1,099	8,591	6,340	5,728	5,651	8,019	8,411			
SANTA CLARA										
1 family	718	8,352	5,723	7,127	5,958	10,202	10,577	7,477	8,310	
2-4 family	92	514	587	578	601	744	534	1,702	3,905	
5 and more	12	376	236	282	683	518	583	9,179	12,215	
Total	822	9,242	6,546	7,987	7,242	11,464	11,694			
SOLANO										
1 family	146	648	1,079	1,301	1,018	1,717	1,893	804	640	
2-4 family	8	42	141	274	185	16	24	16	57	
5 and more	-	-	17	5	32	6	-	820	697	
Total	154	690	1,237	1,580	1,235	1,739	1,917			
SEVEN COUNTY TOTALS										
1 family	3,992	34,197	24,183	24,522	23,233	33,665	37,726	24,743	19,978	
2-4 family	438	3,005	3,611	4,065	3,026	2,412	2,154	6,200	10,401	
5 and more	401	2,796	1,644	2,647	2,955	3,096	3,128			
GRAND TOTAL	4,831	39,998	29,438	31,234	29,214	39,173	43,008	30,943	30,379	

SOURCE: Bureau of Labor Statistics Worksheets of Building Permits
Bureau of Labor Statistics San Francisco Office, 630 Sansome Street



1958 Market Analysis - San Francisco Area "E"

particularly industrial. The impact of this decline affected other industries.

While construction is unpredictable, one good sign is the acceleration of applications for building permits. The picture for January looks better than last year. However, February showed a sharp decline in the number of building permits. This is partly due to unusually severe weather and because builders are holding back pending new housing legislation. The latest figures on building construction authorized in 1956 and 1957 are shown on pages 9 and 10 in Table 5.

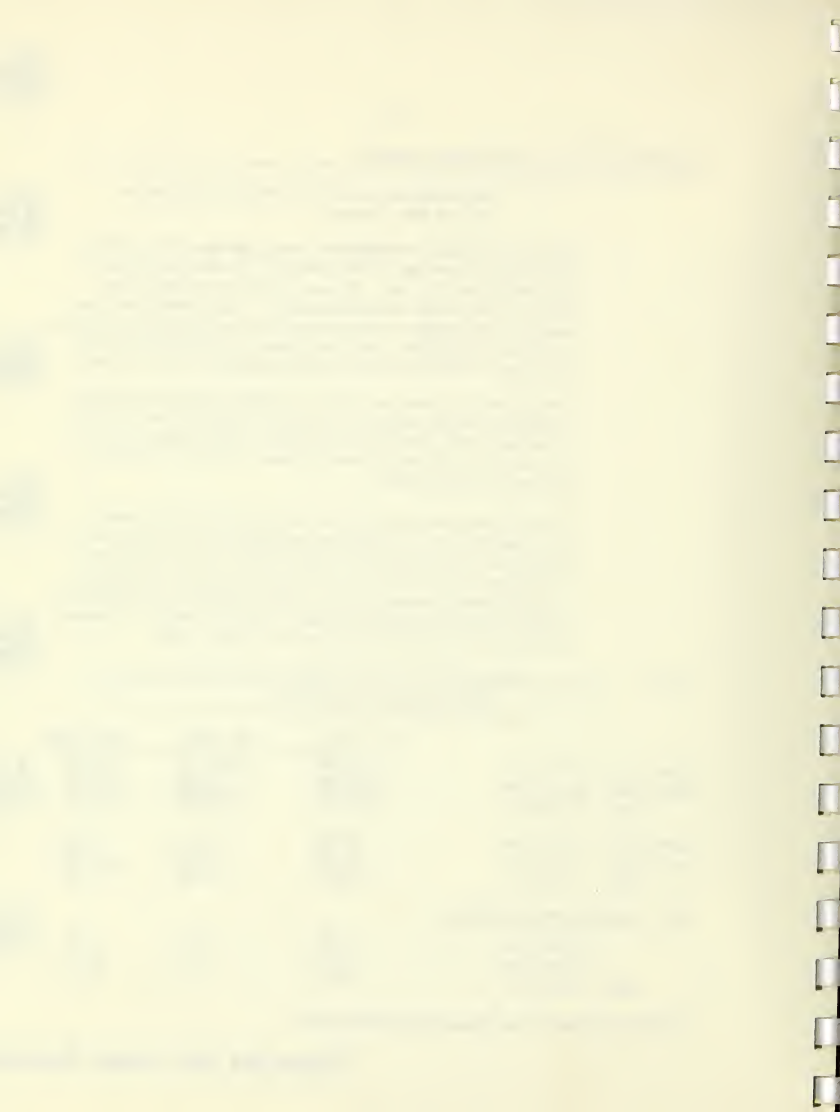
Unemployment volume was rising. The January figures for the seven county Bay Area for January, 1958, reached 82,600 from 52,300 in January, 1957, and 53,100 in January, 1956. However, this was still below the 109,500 recorded in January, 1950, on a smaller population and labor force.

Table 6 below shows the number of unemployed, the total labor force, and the ratio of unemployed total labor force in seven-county Bay Area for January, 1950, 1955, and 1958. This reveals that percentage-wise, in relation to the total labor force, the increase in unemployment between January, 1955, and January, 1958, is not as great as may be generally surmized, since this ratio is 5.7 percent for January, 1955, and 6.3 percent for January, 1958.

TABLE 6 RATIO: UNEMPLOYED TO TOTAL LABOR FORCE SEVEN COUNTY
SAN FRANCISCO BAY AREA

	Jan. 1958	Jan. 1955	Jan. 1950
Labor Force - 6 Counties	1,128,600	1,057,200	982,800
Labor Force - Santa Clara	181,200	141,800	115,900
Total - 7 Counties	1,309,800	1,199,000	1,098,700
Unemployed - 6 Counties	66,400	51,300	91,800
Unemployed - Santa Clara	16,200	13,000	17,700
Total - 7 Counties	82,600	64,300	109,500
Ratio - Unemployed: Labor Force			
- 6 Counties	5.9%	4.8%	9.3%
- Santa Clara	8.9%	9.2%	15.3%
Total - 7 Counties	6.3%	5.7%	10.0%

SOURCE: California State Department of Employment



C. Distribution of Employment

While total employment in San Francisco, as of September, 1957, represents 39.3 percent of the total "covered" employment in the seven-county Bay Area, as compared with 42.5 percent in April, 1955, there is an actual increase in number of employed of 23,868 or 7.5 percent. The reduction in the proportion of the metropolitan total is attributable primarily to the phenomenal growth of population and industry in Santa Clara County.

D. Population Distribution and Growth

The population for the seven counties in April, 1950, was 2,531,314, according to the 1950 Census and 3,158,200 in July, 1957, according to the California Department of Employment, for an increase of 626,886 of which Santa Clara County accounted for 232,100, or 37 percent of the growth.

Table 7 on page 13 shows actual population figures for seven Bay Area counties for 1930, 1940 and 1950; and forecast estimates for 1960 and 1970, according to the Parsons, Brinckerhoff, Hall and Macdonald report to the San Francisco Bay Area Rapid Transit Commission.

According to these forecasts, the seven-county population would increase at the rate of 100,000 a year. The current estimated increase since 1950 has been approximately 90,000 a year.

For San Francisco, the estimated population increase for 1950 to 1960 is 55,000 which is an average of 5,500, or under one percent per year (see Table 2). The population increase for the entire interval of time since 1950 has totaled only about one percent, as pointed out previously. The low rate of population increase for San Francisco County is obviously a reflection of the lack of buildable land for development and does not allow for redevelopment.

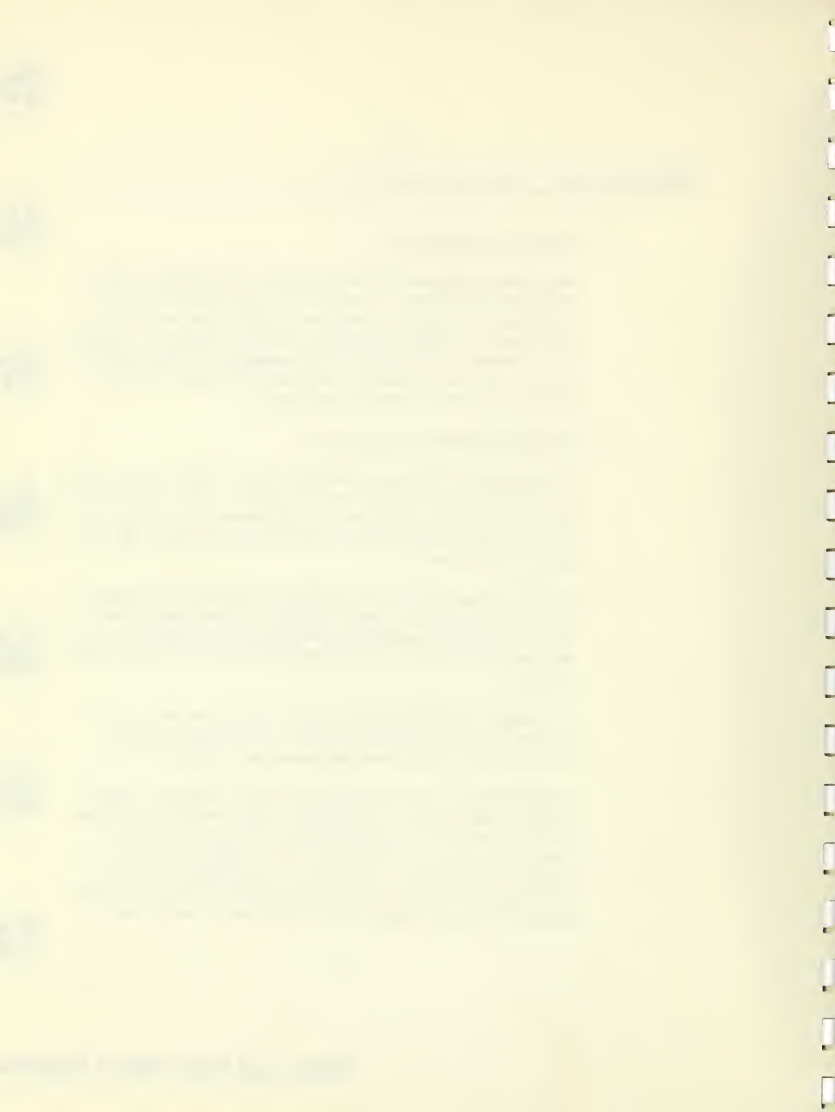
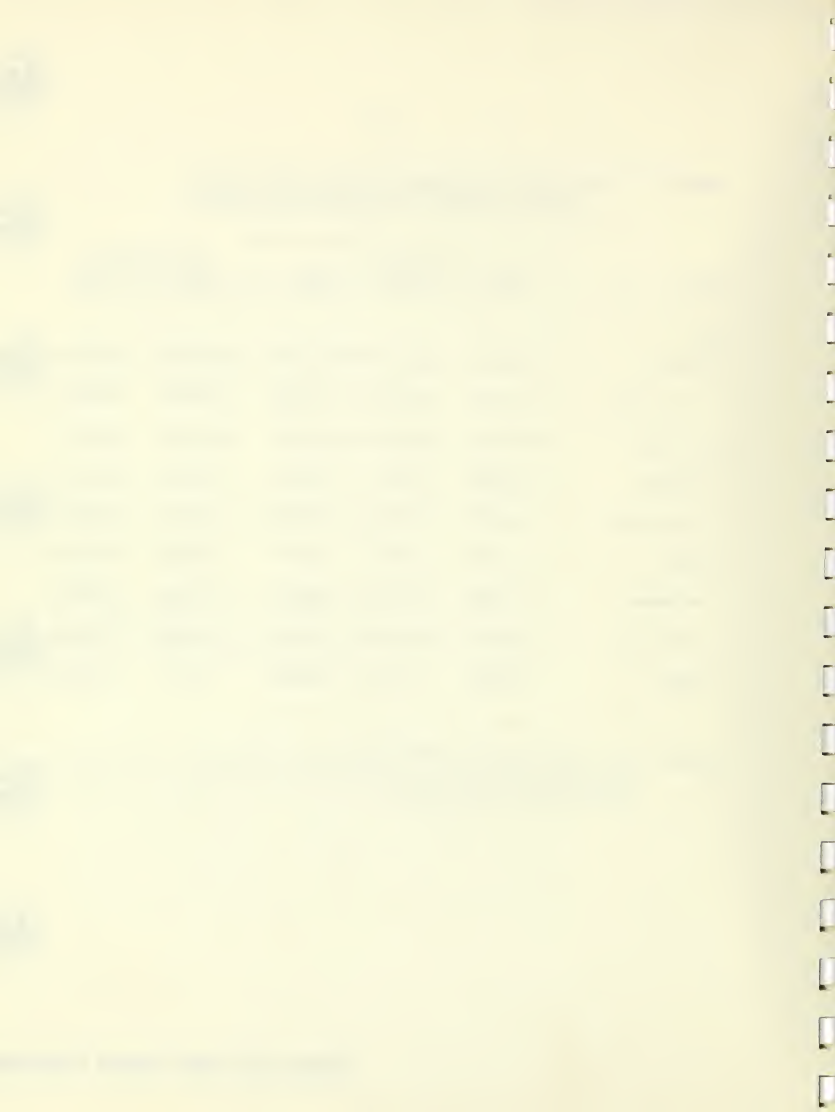


TABLE 7
PAST AND FUTURE TRENDS IN POPULATION GROWTH
IN SEVEN COUNTY SAN FRANCISCO BAY AREA

Area	POPULATION				
	ACTUAL			ESTIMATED*	
	1930	1940	1950	1960	1970
Total 7 Counties	1,492,890	1,636,753	2,531,314	3,458,000	4,449,000
San Francisco	634,394	634,536	775,357	830,000	900,000
Total Other	858,496	1,002,217	1,755,957	2,628,000	3,549,000
Alameda	474,883	513,011	740,315	967,000	1,233,000
Contra Costa	78,608	100,450	298,984	450,000	659,000
Marin	41,648	52,907	85,619	138,000	201,000
San Mateo	77,405	111,782	235,659	418,000	515,000
Santa Clara	145,110	174,949	290,547	501,000	726,000
Solano	40,834	49,118	104,833	154,000	215,000

Sources: U.S. Census of Population 1930-1950

*Regional Rapid Transit, Parsons, Brinckerhoff, Hall and MacDonald, 1960 and
1970 High Population Projections.



1958 Market Analysis - San Francisco Area "E"

E. Conclusion

From the foregoing approaches, there is no reason to alter our original general conclusion repeated below:

"Because of the vigor and balance in the economic base, the potential expansion and continuing growth of the West, the development possibilities of the Pacific Basin, and the stability of its major employment components, a conclusion favorable to the soundness and continued growth of the Bay Area seems justified.

While the bulk of this growth will go into the outlying counties by reason of shortage of land in the central city, there is no reason to believe that such well-situated property as is available for development or redevelopment will not have a substantial market".

IV. THE BOUNDARIES OF REDEVELOPMENT AREA "E"

This report takes into consideration the revision in the boundaries of Redevelopment Area "E", according to the map on the following page prepared by the San Francisco Department of City Planning. The first phase of the program eliminates the following blocks:

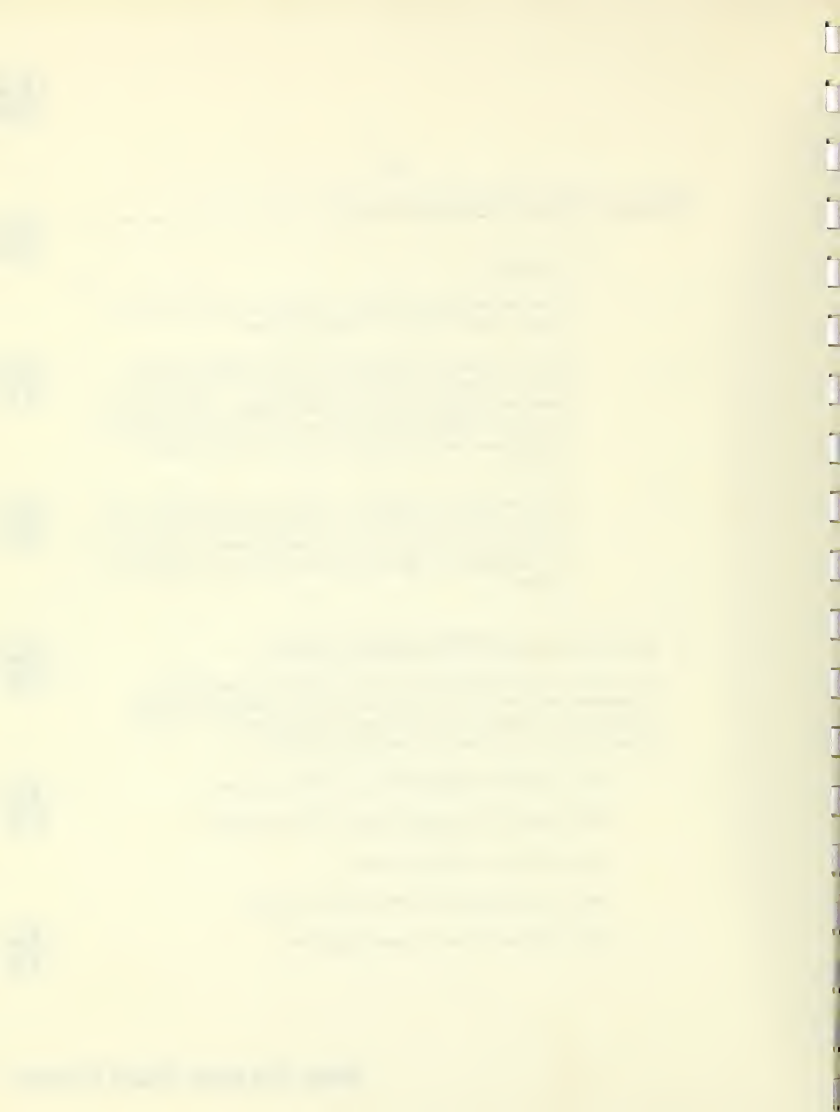
Blocks 206, 207, 228 and 229 west of Battery Street;

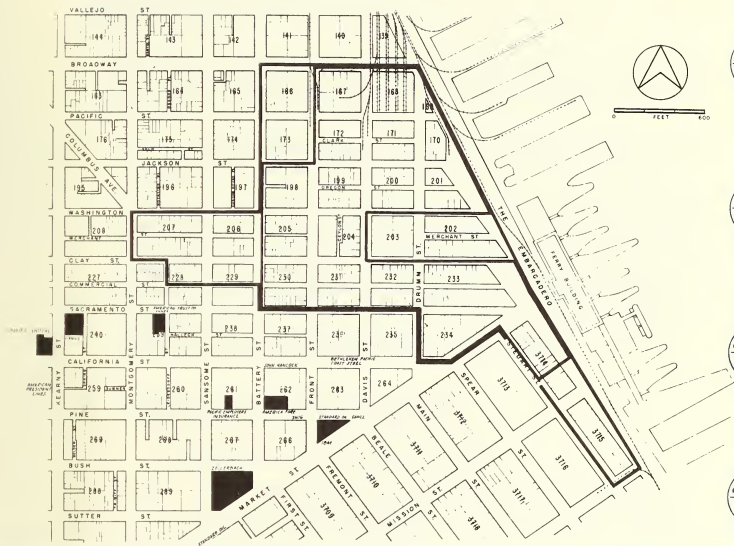
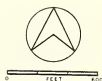
Blocks 166 and 173 between Battery and Front Streets;

Block 3715 south of Mission Street;

South part of Block 3714 north of Mission Street;

Blocks 202 and 203 are for ramp approaches.





REDEVELOPMENT AREA E

NEW OFFICE BUILDINGS
Financial District

March 1958

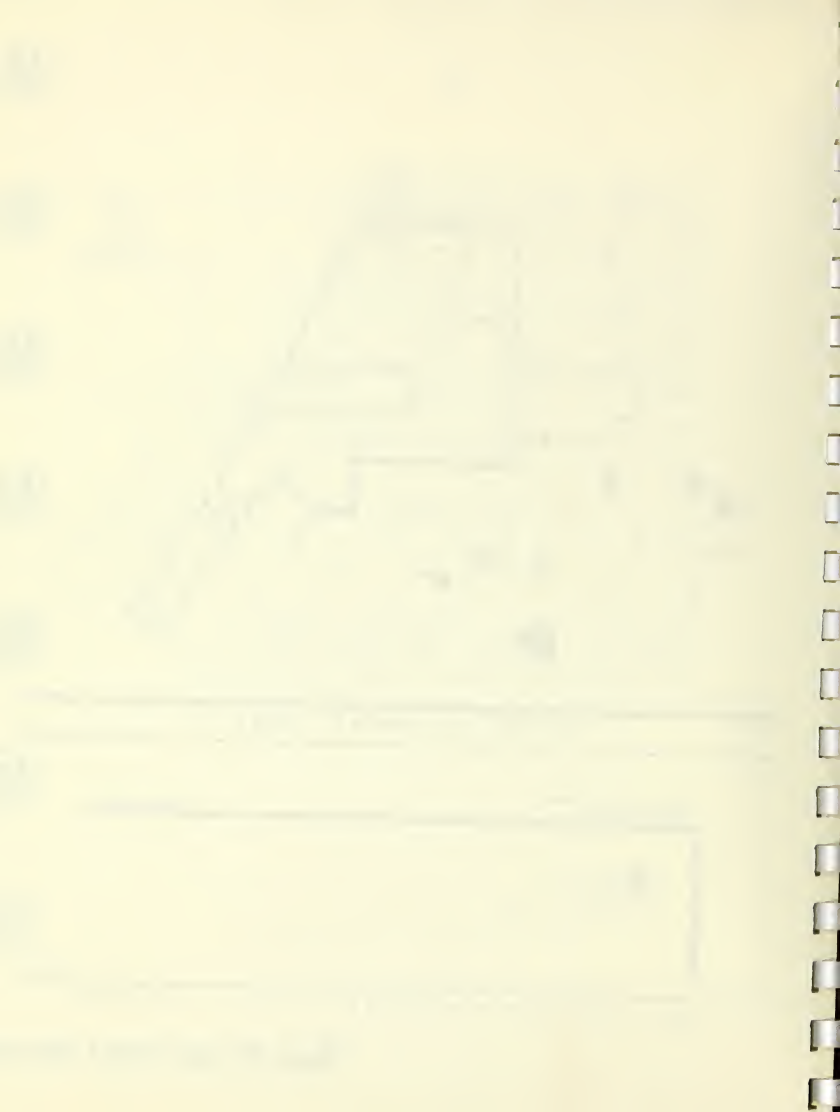
- COMPLETED
- UNDER CONSTRUCTION
- PROPOSED
- PROJECT AREA E-1 BOUNDARY



FILE 222 2 24
BASE JAN. 1954
DATA

SAN FRANCISCO DEPARTMENT OF CITY PLANNING

Western Real Estate Research Corporation



1958 Market Analysis - San Francisco Area "E"

The revised map indicates the boundaries of the complete Redevelopment Area "E", as well as the boundaries showing the portions which have been omitted from the first phase of development.

It is understood that this change is only temporary, and that in the very near future the balance of the area as originally defined will be redeveloped.

The construction program of new office buildings in the triangle bounded by Sansome, Sacramento and Market Streets, is creating a favorable influence by establishing a trend of development toward Redevelopment Area "E" toward its southern boundary. When the second phase of development occurs, whereby the connecting blocks between Area "E" and Montgomery Street become developed under the program, it will integrate the redevelopment area with the existing financial district and accelerate the demand for new office space and apartments in the Golden Gateway Project.

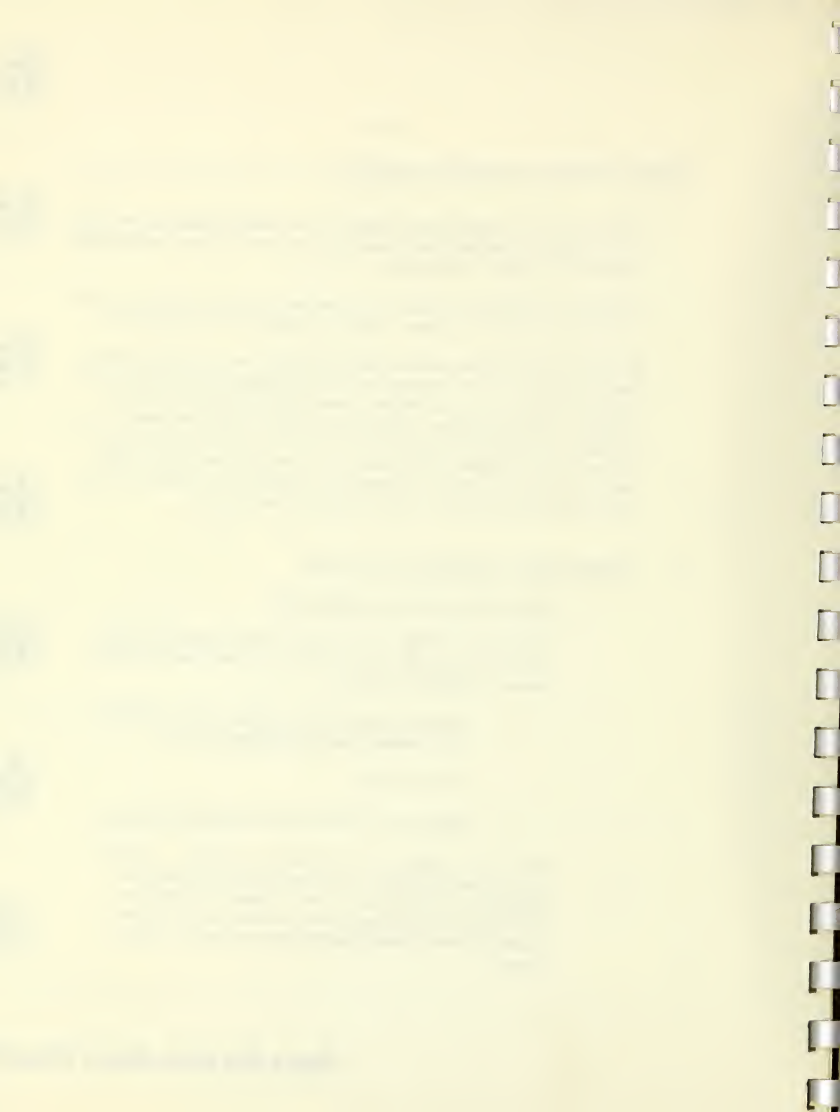
V. MARKETABILITY OF LAND FOR NEW USES

A. Marketability of Land for Office Use

In our report of 1956, it was stated that the market for office space, in Redevelopment Area "E", can be divided into three general categories as follows:

1. General purpose multi-occupancy office buildings for professional and administrative offices.
2. Financial space.
3. Single purpose administrative and sales buildings.

Also, in our original study on page 26, we state: "...it would appear that the market could immediately absorb between 200,000 and 300,000 square feet of Class "A" space, and still maintain current rentals and occupancy levels in the regional Financial-Administrative Area of better than 95 percent".



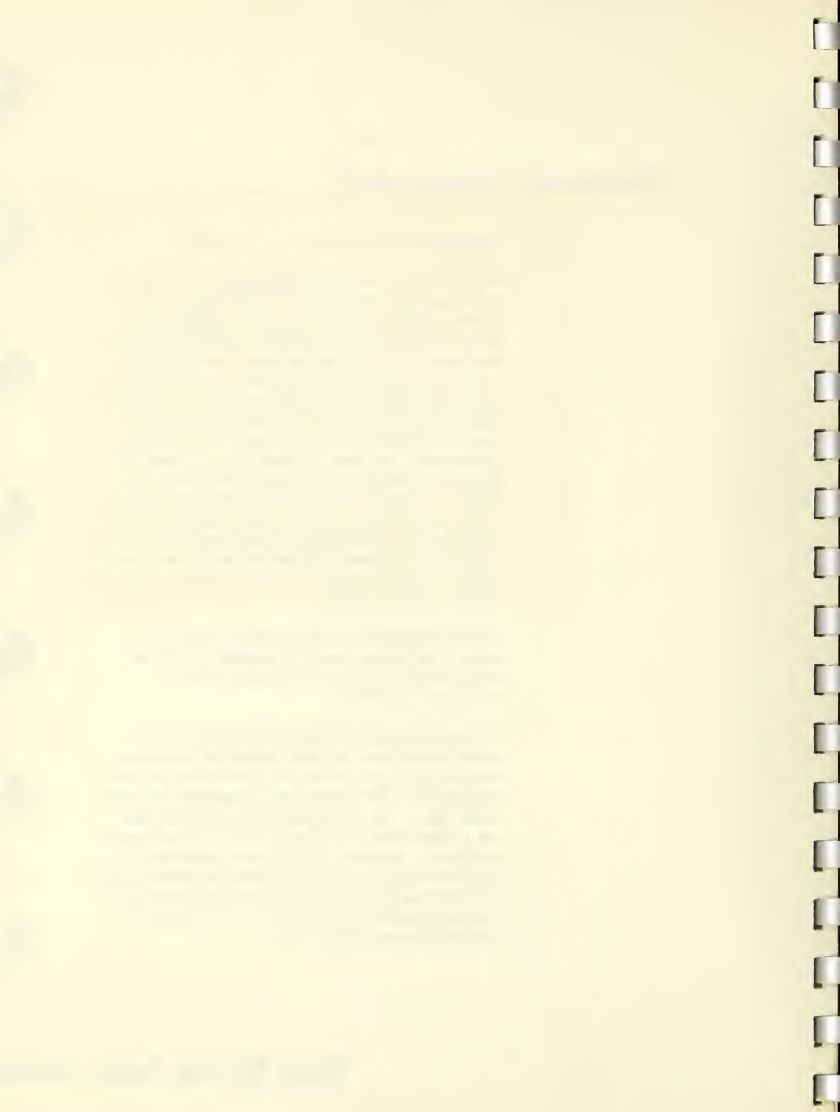
1958 Market Analysis - San Francisco Area "E"

1. Absorption of Office Space --- 1956 - 1957

During the two-year period 1956-1957 a net total of office space in the amount of 438,000 square feet became occupied in six major buildings shown in Table 8, page 18. These buildings were mostly single occupancy, the occupants of which vacated a reported 67,000 square feet of space when moving to their new quarters. Furthermore, the vacancy factor dropped from 4.39 percent to 2.82 percent on the 13,744,309 square feet of office space reported by Building Owners and Managers Association of San Francisco representing a decrease in vacancy of 1.57 percent or a total of approximately 216,000 square feet. See Table 9, page 19. By adding the foregoing figures, it will be found that a total of approximately 654,000 square feet of office space was absorbed in two years, or at the rate of about 327,000 square feet per year. Though on the conservative side, our earlier estimate was borne out by events.

After this absorption had taken place, there still existed considerable need of expansion of existing office space held by tenants in the Financial-Administrative District.

It was not possible to ascertain exactly how much added office space had been created by conversion from loft space nor the amount of space that had been eliminated by deconversion of this type of space back to loft space. A considerable amount of such space was created under the influence of the war and postwar conditions. However, there is every indication that conversions from loft to office space have been reduced to a minimum and that any such conversions which do take place will not have any significant effect on the Golden Gateway Project.



TABLE

SUMMARY OF OFFICE BUILDINGS COMPLETED SINCE MAY 1956

DOWNTOWN SAN FRANCISCO

(Area in square feet)

Building & Location	No. of Stories	Gross Area	Rentable Office Space	Comple- tion Date	Demolition of Office Space	Net Office Space Added	Space Vacated By Move To New Bldg.
Standard Oil Market, Pine, Front	8	75,000	55,000	Dec. 1957	12,000	43,000	None
Cahill Brothers SE Cor. Sacto. & Kearny	6	133,000	90,800	Nov. 1957	None	90,800	N.A.
Pacific Empl. Ins. Co. 244 Pine Street	5	31,455	20,000	Dec. 1957	3,500	16,500	6,000
I.B.M. Market & Front	7		51,000	1957	12,000*	39,000*	6,000*
Firemen's Fund California & Masonic	3		169,000	1957	None	169,000	10,000*
American Fore NE Cor. Pine & Battery	7		80,000	1957	None	80,000	45,000
Total			465,800			438,300	67,000

* Estimated.

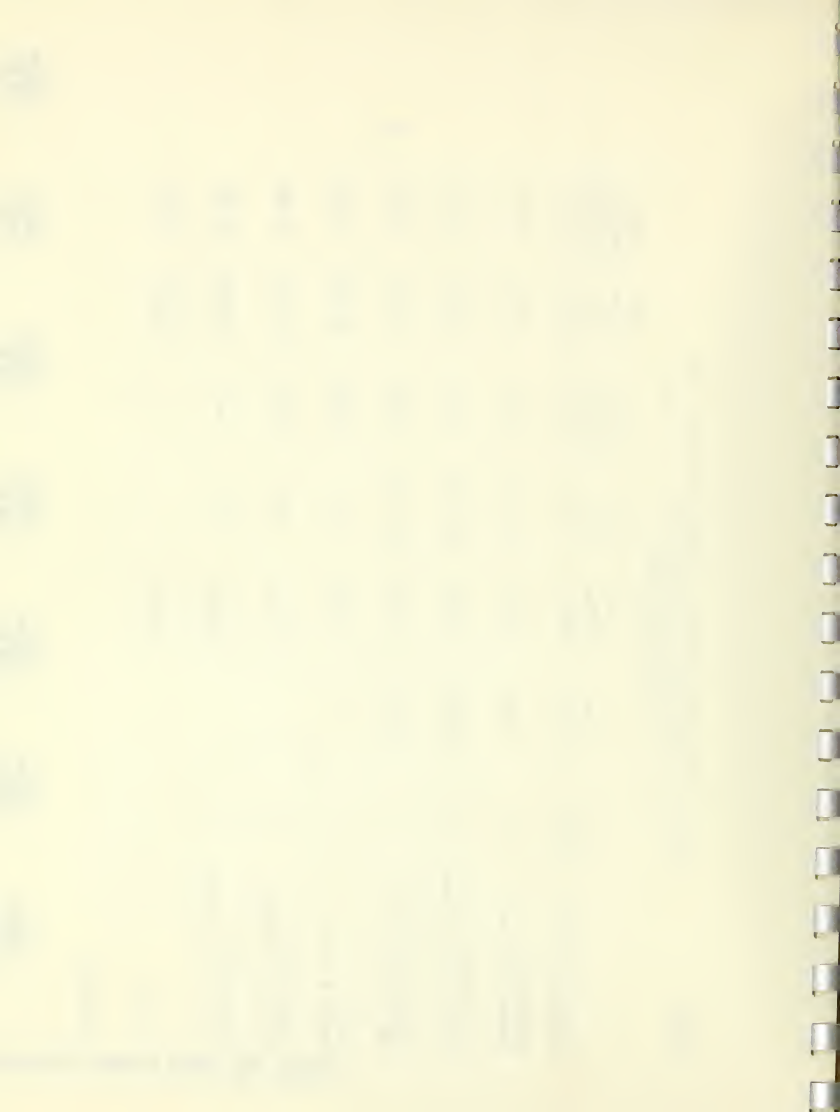


TABLE 9

VACANCY PERCENTAGES IN OFFICE BUILDING SPACE ---- 1950-1957

	Nov. 1950	Nov. 1951	Nov. 1952	Nov. 1953	Nov. 1954	Nov. 1955	Oct. 1957
New York	1.72%	1.13%	0.89%	0.85%	1.76%	1.24%	1.29%
Chicago	3.95%	3.12%	2.85%	2.79%	3.40%	3.68%	3.10%
San Francisco	2.76%	1.85%	1.96%	2.27%	3.19%	4.39%	2.82%*
Oakland	3.33%	5.90%	3.67%	5.05%	6.21%	6.78%	7.27%
Los Angeles	3.95%	3.41%	3.74%	4.18%	3.92%	4.94%	3.95%

*Based on: 213 buildings, 13,744,309 square-foot rentable area

SOURCE: Skyscraper Management Magazine





2. Current Vacancy Trend

Vacancy factors as of October 1, 1957, as reported by the Building Owners and Managers Association of San Francisco, for financial buildings in three size groups are shown in Table 10 below. It will be noted that one small building containing some 30,000 square feet of office space had been completed shortly before the date of that report, and consequently, reflects a high vacancy factor for that category.

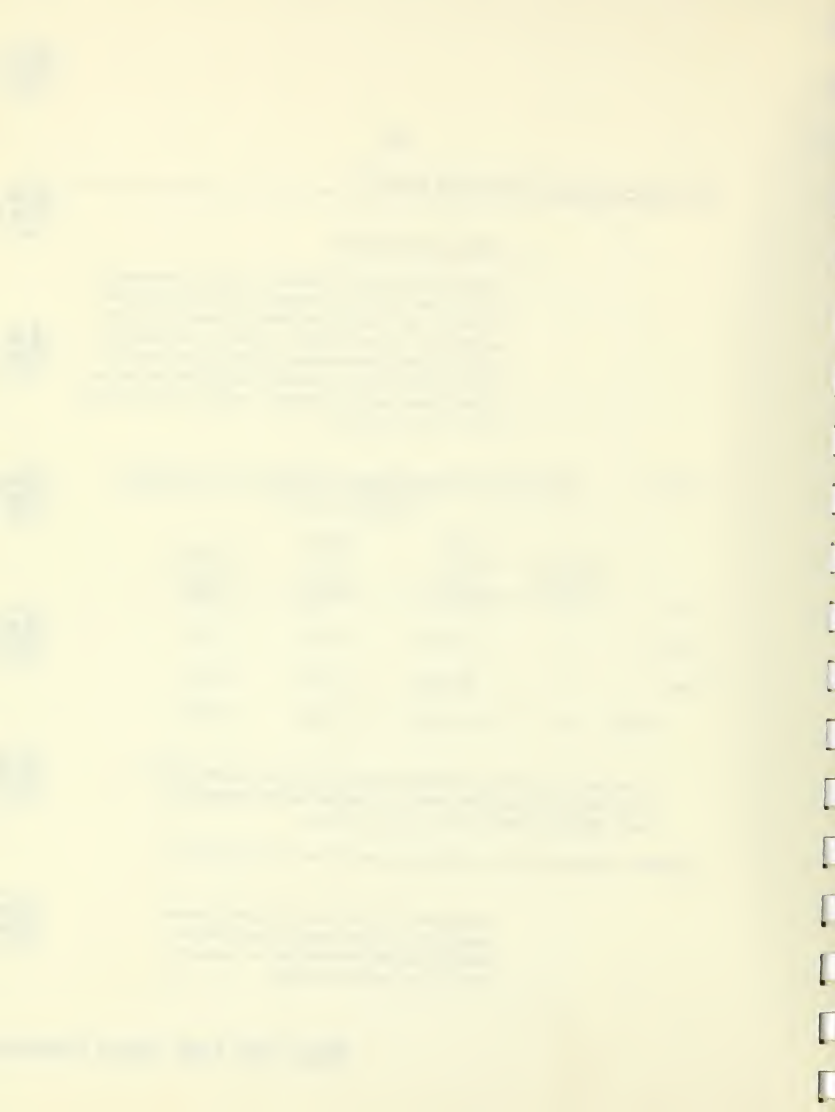
TABLE 10 FINANCIAL OFFICE BUILDING VACANCY BY SIZE GROUP
OCTOBER 1, 1957

	Number of Buildings	Total Rentable Area	Square Feet Vacant	Percent Vacant
Large	19	3,105,631	79,103	2.54%
Medium	17	986,504	55,781	5.65%
* Small	13	283,985	37,879	13.34%
TOTAL	49	4,376,120	172,763	3.95%

*One small size financial building containing approximately 30,000 square feet of office space recently completed and still tenanted causes the high vacancy factor in this category.

SOURCE: Building Owners and Managers Association of San Francisco.

Interviews with building managers of several large Class "A" buildings in the financial district revealed that virtually no vacancies exist in this type of building.



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However, certain changes in backlog of demand have taken place during the past several months, according to these sources. Tenants who had previously expressed a desire to expand their present facilities have taken a wait-and-see attitude, and the number of seekers of office space has dwindled considerably.

This attitude on the part of tenants and prospective tenants is in all likelihood more attributable to an increased feeling of caution than to actual decline in business, as revealed by the crowded conditions which were found to exist in several of the offices visited. We, therefore, feel that this is a transition situation, the duration of which is contingent upon the duration of the present dip in the general economy.

Of five large metropolitan areas, San Francisco has historically been second only to New York in low vacancy rates of office space, as shown in Table 9. The one exception is November, 1955, at which time the Equitable Building had just been completed and was being tenanted.

3. Current Construction Program --- 1958-1959

Six major office buildings are now under construction or definitely ready to go ahead. These represent a total of 1,400,000 square feet of office space. Approximately 110,000 square feet of office space was demolished to make way for the new buildings. However, a substantial amount of this space was of very poor quality. We have, therefore, discounted half of this, leaving a net added inventory of 1,345,000 square feet of office space which will become available for occupancy within approximately two years (see Table 11 on page 22). It will be noted that all of these six buildings will be either wholly or mostly-tenanted by owner occupants.

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THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. It begins with the first settlers who came to the Americas in search of a new life. They found a land of opportunity, but also a land of challenge. The early years were marked by struggle and hardship, but the spirit of the pioneers was unyielding. They built a nation from scratch, one that would stand as a beacon of freedom and democracy for all.

The story of the United States is a story of the American dream. It is a story of people who have come from all over the world, seeking a better life. They have built a nation that is a melting pot of cultures and traditions. The American dream is a dream of opportunity, of a place where anyone can succeed if they work hard enough. It is a dream that has inspired millions of people around the world.

The history of the United States is a story of progress and innovation. It is a story of people who have pushed the boundaries of what is possible. They have built a nation that is a leader in science, technology, and industry. The American dream is a dream of progress, of a place where the future is always just around the corner. It is a dream that has inspired millions of people around the world.

The history of the United States is a story of resilience and strength. It is a story of people who have overcome adversity and emerged stronger. They have built a nation that is a leader in the world. The American dream is a dream of strength, of a place where the future is always just around the corner. It is a dream that has inspired millions of people around the world.

The history of the United States is a story of hope and optimism. It is a story of people who have believed in a better future. They have built a nation that is a leader in the world. The American dream is a dream of hope, of a place where the future is always just around the corner. It is a dream that has inspired millions of people around the world.

TABLE 11 SUMMARY OF OFFICE BUILDINGS UNDER CONSTRUCTION OR DEFINITELY GOING AHEAD
DOWNTOWN SAN FRANCISCO

(Area in square feet)

Building and Location	No. of Stories	Gross Area	Rentable Office Space	Estimated Starting Date	Estimated Completion	Demolition of Office Space	Net Office Space Added	Space Vacated By Move To New Bldg.	Space To Be Occupied By Owner-Tenant
American Trust SW Cor. Sacto. & Liedersdorff (1st add'n rear portion)	12	154,000	130,000	Started	Jan. 1959	19,000	111,000	20,000	130,000
John Hancock Calif. & Battery	14	235,500	150,000	Mar. 1958	June 1959	17,000	133,000	6,000	7,000
American President Lines									
Calif. & Kearny	21	268,000	200,000	1958	Jan. 1960	None	200,000	30,000	50,000
Bethlehem Pacific Davis, between Calif. & Sacto.	15	300,000	250,000	1958	Feb. 1960	None	250,000	None	100,000
Zellerbach Market & Battery	20	348,000	260,000	Started	Dec. 1959	74,000	186,000	110,000	200,000*
Bank of America 11th & Van Ness	8	550,000	410,000*	1958	N.A.	None	410,000	None	410,000
						110,000			
						Discount 50% -	55,000		
Total			1,400,000			55,000**	1,345,000	166,000	897,000

*Estimated.

**Since a substantial amount of the demolished space was substandard, 50 percent of this space has been discounted for the purpose of this report.





1958 Market Analysis - San Francisco Area "E"

These sources have reported that they will occupy a total of approximately 897,000 square feet, and that they will vacate about 166,000 square feet in the downtown area. Hence, these owner occupants will absorb about 731,000 square feet of space, leaving a surplus of some 614,000 square feet of office space available for open tenancy. If these buildings are completed by the beginning of 1960 as scheduled, and allowing another year for initial tenancing, it follows that approximately 205,000 square feet of office space per year would have to be absorbed during the next three years through 1960 by tenants other than owner tenants.

From population growth experience as well as forecasts and other pertinent factors related in this report, we feel that this can be accomplished and still keep within acceptable vacancy factor of 5 percent.

4. New Office Building Construction Beyond 1960

Several new office buildings have been proposed, the starting dates of which are indefinite, and some of which may not materialize. These are shown on Table 12 shown on page 24. Since the status of these buildings is so uncertain, and since they are still very preliminary planning stages, it can only be estimated when these might become available for occupancy. If construction of these is started late in 1960, a substantial portion of office space from these can be assumed to be placed on the market by late 1961 or the beginning of 1962. With an assumed tenancing period of one year, this proposed space would have to be absorbed by the end of 1963. This takes us three years beyond the time that it is expected that the office buildings now under construction will be tenanted (see Table 11).

1. The first of these is the fact that the American Medical Association has been successful in securing the passage of the Federal Food and Drug Act, which is a landmark in the history of the regulation of the food and drug industry. This act is a result of the persistent efforts of the American Medical Association and its members to secure the passage of this act, which is a landmark in the history of the regulation of the food and drug industry.

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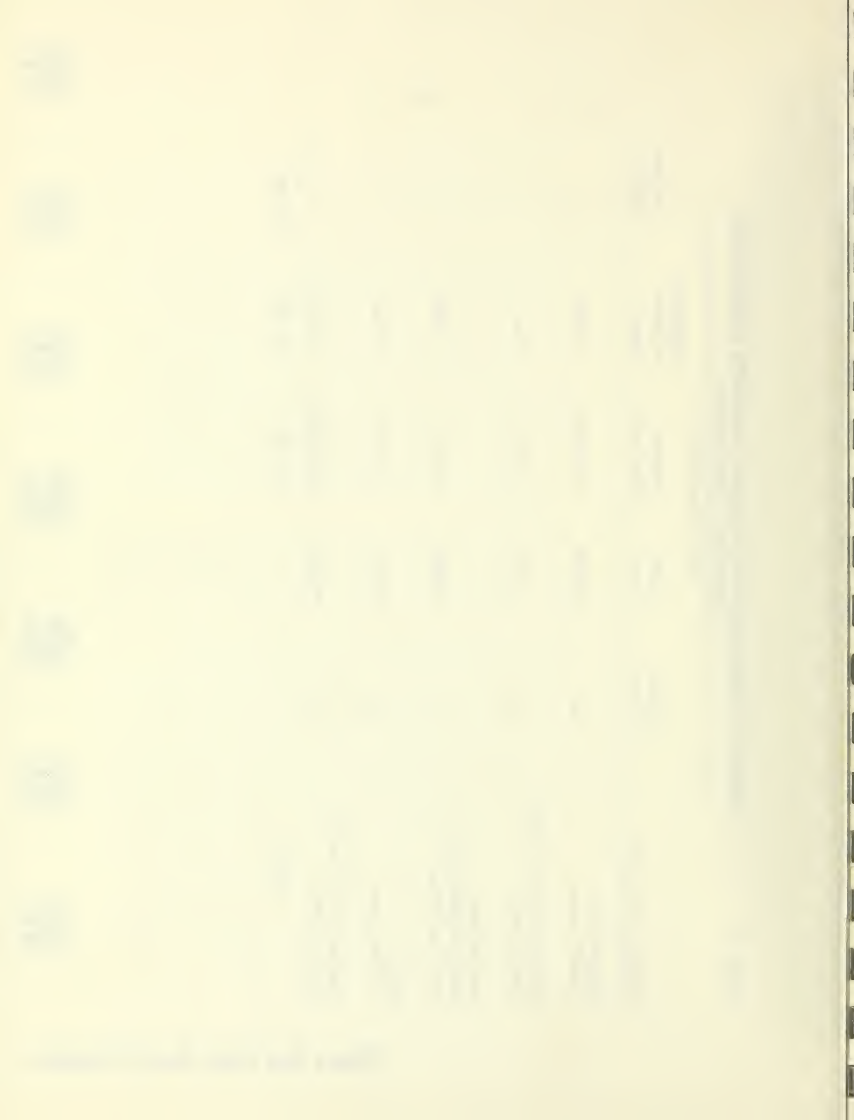
3. The third of these is the fact that the American Medical Association has been successful in securing the passage of the Federal Food and Drug Act, which is a landmark in the history of the regulation of the food and drug industry. This act is a result of the persistent efforts of the American Medical Association and its members to secure the passage of this act, which is a landmark in the history of the regulation of the food and drug industry.

TABLE 12

SUMMARY OF OFFICE BUILDINGS PROPOSED, INDEFINITE STARTING DATE
DOWNTOWN SAN FRANCISCO

Building and Location	Number of Stories	(Area in square feet)			Demolition of Office Space	Net Space Added
		Gross Area	Rentable Office Space			
Standard Oil 533-571 Market	NA	300,000	224,000 Est.	47,000		
California State Auto Assoc. 150 Van Ness	8	64,000	48,000	NA		
Jack Tar West Geary, Franklin, Post (Hotel and offices)	13	153,000	108,000	3,000		
Swig 111 Pine Street	25	330,000	250,000	None		
American Trust Company California Street	12	160,000	120,000 Est.	NA		
TOTAL			750,000	50,000		700,000







These proposed buildings represent a total net area of office space of approximately 750,000 square feet. About 50,000 square feet of office space will be demolished to make way for these buildings, leaving a net of 700,000 square feet which would have to be absorbed during the three year period from 1961 through 1963 or at the rate of some 230,000 square feet per year. This is well within the absorption rate which has been experienced, and which is expected to continue for several years, as evidenced by population projections and anticipated general expansion of industry and other activities in the San Francisco Bay Area.



5. Proposed City, State and Federal Office Buildings



Four government buildings are under construction or proposed for the general Civic Center area as shown on Table 13 on page 26. These have been included in the study since they affect the downtown office space inventory to the extent to which downtown space will become vacated by agencies of government when these new buildings are completed.



The Hall of Justice and the State Office Building are now under construction and are expected to be completed in late 1958. The city is now renting about 29,000 square feet of office space and the state about 150,000 square feet, most of which is essentially loft space and is not expected to compete materially with the type of office space which is now being developed in downtown San Francisco. The State Compensation Insurance Agency now occupies a building at 450 McAllister which, it is reported, will be sold upon the completion of their new building in late 1960 or early 1961. While this space may be competition for the downtown buildings now under construction, it is not considered sufficient to show a marked influence.



TABLE 13

SUMMARY OF PROPOSED CITY, STATE AND FEDERAL OFFICE BUILDINGS

(Area in square feet)

Building & Location	Gross Area	Net Office Space	Estimated Starting Date	Estimated Date of Completion	Space Vacated By Move To New Bldg.
Federal Building Civic Center	1,466,000	1,100,000	Uncertain	Uncertain	166,000*
Hall of Justice 7th & Bryant		30,000**	Under Const.	Late 1958	29,000***
State Office Building Civic Center	390,000	290,000	Under Const.	Late 1958	75,000****
State Compensation Ins. Bldg. Polk between Redwood & Golden Gate	179,000	120,000	Dec. 1957	Late 1959	40,000*****
Total		1,540,000			310,000

*Plus 316,000 square feet loft space.

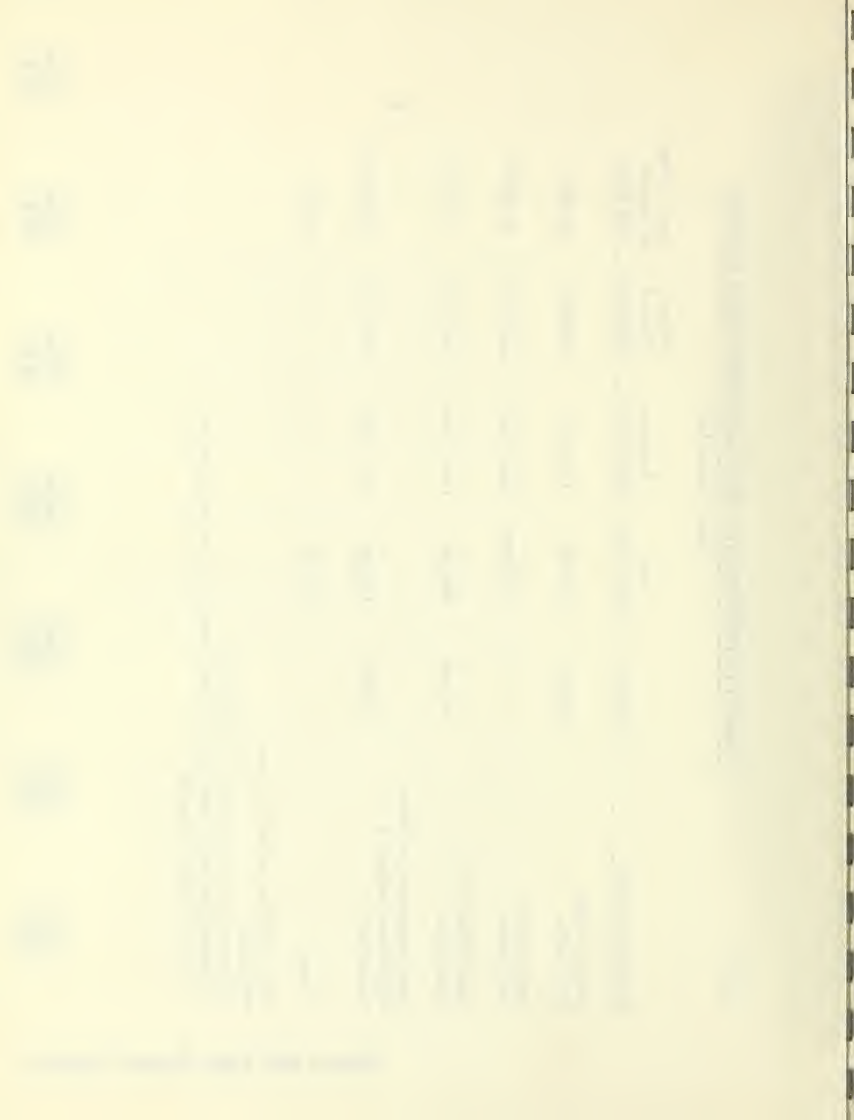
**Estimated.

***Rented space not including City-owned space.

****Present State offices essentially loft space, therefore discounted 50 percent.

*****450 McAllister to be sold.





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The proposed Federal Building appears to be quite far into the future. However, since the site is available, it is conceivable that it could be completed during the time new buildings in the redevelopment area become available for occupancy.

The federal government now occupies almost a half million square feet of space in San Francisco of which 166,000 square feet has been classified as office space, though none of this can be considered Class "A".

6. Oakland Office Space and its Possible Influence on San Francisco

"Skyscraper Management" Magazine for November, 1957, reported 876,968 square feet of rentable office space in Oakland as of October, 1957, with a vacancy of 7.27 percent.

There are two large office buildings now under construction --- the First Western Bank Building with 175,000 square feet to be rented out and the Kaiser Building containing 560,000 square feet which will gradually become occupied by the Kaiser Organization and will leave scattered office space throughout the city vacated over an extended period of time, possibly five years. This adds up to 735,000 square feet, representing 84 percent increase in reported office space, and an increase in downtown Class "A" office space from 492,000 square feet or almost 150 percent.

The type of space to be vacated by the now scattered offices of the Kaiser Organization has not attracted firms to move from San Francisco in the past and can, therefore, be reasonably discounted.

With regard to the possible attraction created by the new space to be made available in the First Western



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1958 Market Analysis - San Francisco Area "E"

Bank Building, this is indeed a possibility, and would be particularly threatening insofar as competition is concerned if the present scarcity of Class "A" office space in San Francisco were to continue. However, since a great deal of conveniently-located office space of this type will be placed on the San Francisco market, there would be little or no reason for those offices, now established in San Francisco to move to Oakland.

There would be some possibility of movement from outside the Bay Area to Oakland rather than San Francisco. However, it is not anticipated that this will take place to any great extent because the two cities, while being in relatively close proximity to each other, are quite unrelated in so many respects, that prospective tenants should continue to seek space in one or the other, depending upon the nature of their business, as they have done in the past.

It is more likely that firms now located in less desirable space in the East Bay Area, will be attracted to the new Class "A" office space to become available in the First Western Building and in the present Kaiser Building when their new one is completed.

7. Office Rentals in San Francisco

Rentals in the Class "A" buildings in the financial district of San Francisco have increased about two cents per square foot per month each year during the post-Korean war period and now range between 40 cents and 50 cents. A continuous increase at the same rate is anticipated for an indefinite period in the future because of higher costs for new construction and continuing increases in maintenance costs.

8. Impact of Future Growth

With the necessity of projecting demand as of a date considerably in the future, it is pertinent to examine whether or not future growth may be anticipated to support the market.

1958 Market Analysis - San Francisco Area "E"

The estimated 1957 population of San Francisco, San Mateo, Santa Clara, and Alameda Counties was 2,419,000 and the amount of rentable office space in San Francisco, Oakland and San Jose, as reported in "Skyscraper Management" Magazine for November, 1957, was 14,653,000, or 6.1 square feet of office space per capita.

The 1970 population forecast for these four counties is 3,374,000 or an increase of 955,000. If we apply this same factor of 6.1 square feet per capita to this increase, it would follow that approximately 5,825,500 square feet of office space should be added to these counties during the 13 year period from 1957 to 1970, or approximately 450,000 square feet per year. Since San Francisco office space represents about 94 percent of the total in the three cities, it would be safe to assume that San Francisco could absorb, conservatively 75 percent of this total or about 338,000 square feet per year. Then if we allocate 75 percent of this total to Redevelopment Area "E" we reach approximately the same figure of 250,000 square feet per year for Golden Gateway, or a total of approximately 1,250,000 square feet over a period of five years commencing in 1963.

9. Projected Time Schedule for Redevelopment Area "E"

With known or projected future additions to the supply established above, it now becomes necessary to compute the time when the developments in Area "E" will come on the market.

It is estimated that Redevelopment Area "E", at least in part, may become available for purchase and development by mid-1961. Construction of the first office building could conceivably start at the end of 1961 or the beginning of 1962.

1. The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present and for the development of a sound policy for the future.

2. The second part of the paper discusses the role of the government in the development of the United States. It is argued that the government has played a crucial role in the development of the country, and that its actions have been guided by a set of principles that have been passed down from generation to generation.

3. The third part of the paper discusses the role of the individual in the development of the United States. It is argued that the individual has played a crucial role in the development of the country, and that his actions have been guided by a set of principles that have been passed down from generation to generation.

4. The fourth part of the paper discusses the role of the future in the development of the United States. It is argued that the future is a time of great opportunity, and that it is up to us to make the most of it.

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By allowing 18 months for construction, the first building should be ready to receive tenants during the summer of 1963. By this time, it is estimated that the new space now under construction and proposed in downtown San Francisco should have been absorbed within a reasonable vacancy factor, precluding the possibility of a serious and extended period of economic distress.

10. Recommended Rate of Office Space Construction in Redevelopment Area "E"

Based upon the foregoing observations the rate of demand for office space in the regional financial district of 250,000 square feet per year, and as stated in our original analysis, was proved to be correct. There is reason to believe that this rate of demand will continue. This prediction is further supported by the population forecasts for 1960 and 1970 shown in Table 7.

With the annual absorption rate established at 250,000 to 300,000 square feet, with the presently projected space in new buildings likely of tenanting before Area "E" Redevelopment, with no serious competition from East Bay development, and with anticipated population growth resulting in demand for 1,250,000 square feet in Area "E", it is possible to reach conclusions on the future market in that area.

It is our opinion based upon the above studies that a total of 1,250,000 square feet of office space can be developed over a period of five years, commencing tenanting not earlier than the middle of 1963, and so timed that no more than 250,000 square feet of space be placed on the market during any one year, unless prior demand for large space requirements are made by institutions or other large organizations.

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B. Marketability of Land for Hotel-Motel Use

There have been no new high-rise hotels built in San Francisco since our previous report. However, since 1951 building permits have been issued for 48 motels representing approximately 1,200 rooms. A number of these have been built and are enjoying high occupancy and rents comparable to some of the better hotels.

Our original report suggested the need for a large hotel complex with large convention facilities, and mentioned such a complex as a possible alternate for Area "E". However, since the Hilton Hotel seems likely to go ahead and in view of the construction of convention hall facilities at Civic Center as well as the other proposed hotels mentioned below, we would eliminate recommendation for such an establishment for the Golden Gateway.

Several large high-rise hotels are now in the drawing board stage. These are:

Hilton: Mason, Taylor, O'Farrell, Ellis	1,000 rooms
Jack Tar West: Geary, Franklin, Post	405 rooms
University Club: Powell, California	600 rooms
Nino Gerdali: Fishermans Wharf	600 rooms

1. Vacancy Trends in Hotels

Table 14 on page 32 shows an increase of occupancy in Class "B", "C", "D", and "E" hotels in 1956 and 1957. The occupancy is holding at about the same level of 1955 for Class "A" hotels, although a decrease from 78 percent in 1955 to 72.7 percent in 1957 is noted in the category of Class "B" hotels. This decline in Class "B" hotel occupancy is without a doubt largely attributable to the number of motel units which have been added to the inventory.



1. The first part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom. It is shown that the structure of the atom is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

2. In the second part of the paper, the author discusses the problem of the structure of the nucleus. It is shown that the structure of the nucleus is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

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4. In the fourth part of the paper, the author discusses the problem of the structure of the crystal. It is shown that the structure of the crystal is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

5. In the fifth part of the paper, the author discusses the problem of the structure of the solid. It is shown that the structure of the solid is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.



TABLE 14 OCCUPANCY OF HOTELS IN SAN FRANCISCO, CALIFORNIA

Date	Average Occupancy				
	Class A *	Class B *	Class B, C, D, E **	Class B and C **	Class D **
	Hotels	Hotels	Hotels	Hotels	Hotels
1951	84%	81%	79%	84%	75%
1952	85%	80%	80%	80%	75%
1953	83%	79%	77%	79%	75%
1954	83%	77%	71%	73%	72%
1955	85%	78%	71%	74%	68%
1956	85%	76%	74%	73%	76%
1957	85%	73%	77%	75%	83%



*SOURCE: Harris, Kerr, Forster & Co.

**SOURCE: San Francisco Hotel Association.



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Table 15 below shows 1956 hotel occupancy in San Francisco at 82 percent. This is the same as for New York and contrasts probably with 77 percent for Chicago and 71 percent as the national average.

TABLE 15

TRENDS IN HOTEL OCCUPANCY

	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>
San Francisco	82%	81%	82%	82%
New York	79%	80%	80%	82%
Chicago	73%	78%	79%	77%
Nationwide Average	72%	73%	73%	71%

SOURCE: Harris-Kerr-Forster and Company.

2. Conclusion

While motels occupy a considerable amount of land in relation to the number of rooms, the lower construction cost of this type of structure compensates to make this use type economically possible, even in relatively high land cost areas.

It is recommended that an appropriate area within Redevelopment Area "E" be considered for a first class motel-hotel of two to three stories, containing 250 to 300 rooms, with restaurant, cocktail lounges, meeting rooms, and similar amenities. Such an establishment would provide excellent headquarters for business people visiting in Golden Gateway Project as well as to the World

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MARY	22	F	1950	CHICAGO
JOHN	20	M	1950	CHICAGO
MARY	18	F	1950	CHICAGO
JOHN	15	M	1950	CHICAGO

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Trade Center. With the site's strategic location with relation to the region's freeway system, the amusement area, the shopping district and the ocean travel facilities, a better class motel here should also draw a considerable amount of tourist trade.

A logical location for such a motel would be in the north section of the project on blocks 167 and 168 where the preliminary Skidmore, Owings and Merrill plan showed light industry, which we understand has now been eliminated.

This motor hotel would face into the project toward the south, and parking could be provided toward the rear forming a buffer toward existing industrial uses, with additional parking as required toward the south to accommodate hotel guests as well as restaurant patrons, visitors, etc.

C. Marketability of Land for Residential Use

1. Vacancy Trends

Unfortunately, no source maintains a continuous series of data on all residential vacancies in the Bay Area. However, good indications of trends were obtained from recent studies and were supplemented by interviews with informed sources.

The Federal Housing Administration conducts an excellent annual study of occupancy of its insured rental housing, which by the nature of the units involved are indicative of the situation for apartments in the area being studied. As excerpted from the third quarter, 1957, report of the Bay Area Real Estate Research Committee. Table 16 on page 35 indicates that on the basis of the Federal Housing Administration's latest figures the rental housing situation was considerably tighter, dropping to 1.1 percent throughout the Bay Area. It is especially

TABLE 16

VACANCY INDICES IN SIX COUNTY SAN FRANCISCO BAY AREA
FHA INSURED MULTIPLE HOUSING PROJECTS

County	Apartment Units Surveyed 1957		Percent of Units Vacant			
	Total	Vacant	1957	1956	1955	1954
San Francisco	999	6	0.6	1.3	5.3	1.8
San Mateo	1,273	10	0.8	1.3	8.1	3.7
Alameda	487	12	2.5	2.0	6.9	9.4
Contra Costa	80	-	-	-	6.3	8.8
Santa Clara	40	1	2.5	-	-	14.6
Marin	44	3	6.8	2.3	9.1	2.3
Total	2,923	32	1.1	1.4	6.7	4.3
Monthly Contract Rent*						
\$60- 69.99	36	2	5.6	0.0	0.0	3.6
70- 79.99	246	2	0.8	0.3	3.6	3.7
80- 89.99	423	5	1.2	1.9	5.4	6.3
90- 99.99	756	19	2.5	2.0	8.8	4.0
100-109.99	412	1	0.2	0.7	4.5	1.2
110-119.99	384	2	0.5	0.5	4.6	5.3
120-129.99	332	1	0.3	0.3	10.3	5.0
130-and over	334	0	0.0	3.0	10.4	2.6
Total	2,923	32	1.1	1.4	6.7	4.3
Median Monthly Rent			\$100	\$99	\$99	\$99

*Rent in a little more than half of the projects included refrigeration, cooking ranges, hot water and heat. Rent of about 1/6 of the apartments included utilities (gas and electricity). Garage rents are not included.

SOURCE: Bay Area Real Estate Research Council



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significant that for San Francisco alone the March 31, 1957, vacancy rate was only 0.6 percent, dropping from 5.3 percent in 1955.

Interviews with major apartment-development managers and representatives of the management profession indicate a current continuation of very low vacancy rates. Mr. Joseph A. Brown, President of Apartment House Industry of San Francisco (with a membership of 1,500 representing 4,000 to 6,000 apartment buildings), stated that vacancies in the better type apartments on Russian and Nob Hills were virtually nonexistent. Although lacking an over-all survey, he estimated the general vacancy at a low ratio of 3 percent, which would reflect conditions in some less desirable units. While turnover had accelerated in the past three months, managers had no difficulty in filling the vacated units. He noted a movement to the city (spurred by transportation costs and parking), and he felt there is a constant demand for some 1,500 units in downtown San Francisco with rents from \$100 to \$125 greatest in demand.

Especially pertinent to the demand for units in better class large-scale developments in Area "E" are the reports given us by management of the two most comparable apartment groups. Park Merced is now 99 percent occupied and Stonestown reports 100 percent filled.

In Park Merced where there are 3,483 apartments about evenly divided between garden and tower types, the manager, Mr. Wayne Beckwith, stated that there had been no noticeable change in the number of apartment-seekers since 1956. The rentals range from \$100 to \$130 for the one-bedroom units, \$120 to \$170 for the two-bedroom size. They had 535 families on retirement status, indicating a



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strong demand from this source. He also reported that some tenants had left Park Merced to buy their own homes, but had later disposed of their homes and re-rented in the project.

In Stonestown, under FHA rental schedule, the rental ranges were reported as follows:

One Bedroom	- \$ 97.50 to \$115.50
Two Bedroom	- 118.50 to 132.50
Three Bedroom	- 132.50 to 175.00

These rentals include electricity, gas and carport. It was reported that the 1957 turnover was about 12 percent, the highest since the project was built, but that vacancies were filled as they occurred.

Mr. Lloyd D. Hanford, Realtor and manager of a large number of better-class, close-in apartments, also estimated that current vacancy was at lowest levels. He felt that between 1,500 and 2,000 apartments could be absorbed in the Golden Gateway project, the demand coming from families upgrading their accommodations, from well-to-do commuters desiring secondary quarters in town, and from single persons and couples wanting apartments near work. Based on his experience, Mr. Hanford felt rentals starting with \$100 for efficiency units, \$175 for one bedroom (without dining room), \$225 for one bedroom with dining room, and \$285 for two bedrooms with two baths.

In summary, from available evidence it is concluded that vacancies among broadly-comparable accommodations are at low levels, and that operation of the market on existing quarters would support a strong demand for apartment dwellings in Area "E".

2. Apartment House Construction

The continuously declining vacancy rate and the healthy demand described above have been maintained despite a

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heavy increase in the inventory through new construction of rental units.

As seen in Table 5, some 6,200 units in structures for two or more families were authorized by building permits in the seven Bay Area counties in 1956. In 1957, there were 10,401 units so-authorized, approaching twice the number for any of the last seven years. The ratio of multiple units to all residential construction was also the highest for recent periods.

3. Total Residential Construction and Housing Needs

Table 5 also shows that a total of 30,943 units of all types were authorized in the seven county Bay Area in 1956 and 30,379 in 1957, adding 61,322 units to the estimated January, 1956, inventory of 1,019,000 dwellings. The new total would thus be approximately 1,080,000 dwellings. During the same period, the population in the seven counties increased to an estimated 3,158,200 persons.

Significant to the housing demand picture, Table 1 shows an increase in civilian employment in the Bay from 1,159,800 in January, 1956, to 1,227,900 in January, 1958. Applying the new inventory of housing (1,080,000 units) to the current employment, the ratio of employed-workers per unit is 1.14 --- the same as in our earlier report.

From the foregoing it would appear that since our original study, housing production has about kept up with needs of expanding employment, leaving the same cushion of the net unsatisfied demand for 28,000 units.

4. Absorption of Supply

The foregoing data indicates that not only has the new construction of rental units been absorbed, but the vacancy factor has been materially reduced --- particularly so in



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the better class of apartment --- and there is every indication that the market has strengthened materially since early 1956, when the original report was made.

5. The Demand for Housing in Redevelopment Area "E"

When the original report was prepared, an extensive survey was conducted with employees of firms located within one mile of Area "E". From numerous interviews and observations made during the field studies pursuant to the present study, there is every indication that the attitudes and conditions revealed in the original report remain unchanged.

There have been increases in wages and transportation costs since 1955, and it is reasonable to assume that the market will accept somewhat higher rentals than those which appeared to be proper at the time of the original report.

The Skidmore, Owings & Merrill suggested plan shows five 21-story apartment buildings, each with 320 units located on the four blocks between Battery and Front, and between Washington and Jackson, with integral parking for the east and west buildings and adjacent parking to the north of the center group of three apartments.

We would not hesitate to recommend the construction of 1,600 apartment units in five buildings, built over a period of five years, and in the general locations shown in the Skidmore, Owings & Merrill Plan.

6. Recommended Residential Construction Program

The past two years have revealed new facts with respect to the market demand for multi-family dwelling units, particularly with respect to the increased demand for larger and more completely appointed apartments.

Also, since these apartments will possibly be financed with

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FHA mortgage insurance under Section 220 of the Housing Act, and since one upper limit of mortgage amount which FHA will insure is based upon room count, it is well to have as large a distribution of larger apartments as it is evident that the market will absorb. On the assumption that one building is submitted as a separate project at a time, it would follow that both large and small apartments would have to be planned for each building, in order to result in an FHA commitment which would be considered acceptable.

The recommended rental schedule of our original report was based upon the results of the intensive survey conducted with employees of firms located within one mile of the area. The attitudes reflected by the respondents are related in that report. The median income of the "interested" group was \$6,173.

It was then estimated that the effective market was approximately 7,500 units. This would now increase by approximately three percent by virtue of the increase in labor force to a total of about 7,700 units.

It is anticipated that the high quality of development contemplated by the Skidmore, Owings & Merrill study will attract many additional families to the area because of its prestige and amenities, and in view of the increased demand for higher-priced apartments observable since our previous study, we have revised our schedule of apartment rental demand as follows on Table 17.



THEORY OF THE EARTH

The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its features, and to determine the time and place of their occurrence. The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its features, and to determine the time and place of their occurrence.

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TABLE 17 APARTMENT RENTAL DEMAND SCHEDULE

Apartment Type	Room Count	No. Apts.	Average Rental	Average Gross Annual Income
Efficiency	2 1/2	200	\$ 140	\$ 336,000
One Bedroom	3 1/2	200	155	372,000
One Bedroom	4	720	164	1,416,960
Two Bedroom	4 1/2	240	180	518,400
Two Bedroom	5	160	228	437,760
Three Bedroom	6	80	275	264,000
TOTAL				\$3,345,120

The apartment size distribution in this schedule has been influenced by certain FHA regulations, with respect to mortgage insurance under Section 220, as follows:

- (a) A maximum of 20 percent of units can be efficiency type.
- (b) When the average number of rooms per apartment is four or more, one of the upper limits of mortgage is \$2,700 per room, whereas if the average number of rooms per apartment is less than four, the mortgage is limited to \$8,400 per apartment. If the project is to be developed under FHA financing, this would reduce the mortgage amount considerably.

6. Auxiliary Commercial Development

We would still recommend a net retail sales area of approximately 22,000 square feet. This could be located as an integral part of one of the central apartment buildings.

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Since a comprehensive parking plan has been prepared in conjunction with the project as a whole, it is considered that sufficient parking has been provided for with respect to the retail sales area.

7. Gross Area Requirements

The Skidmore, Owings & Merrill Plan provides for a residential area of 15 acres, with a coverage of 14 percent and density of 107 dwelling units per acre.

Since the buildings are planned to be 22 stories in height, thus reducing the coverage, and providing sufficient space between buildings, we consider this acceptable.

D. Marketability for Parking

Since submission of our original report, two very comprehensive parking studies have been made. One prepared by the Parking Authority of the City and County of San Francisco deals with the parking situation in general, and includes downtown as well as fringe areas. The second study was prepared by the Bureau of Engineering, Department of Public Works, City and County of San Francisco, dated January, 1958, and deals with proposed parking garages in Redevelopment Area "E".

This report recommends the construction of a three-level garage, and subsequently a ten-level garage, as needs dictate in accordance with the Skidmore, Owings & Merrill Plan. The research was of a high order, and we concur with the recommendations made in this report.

The Skidmore, Owings & Merrill Plan includes adequate parking for the apartment house area.

E. Marketability of Land for Park Use

The Skidmore, Owings & Merrill Plan provides for park area in the general area recommended in our original report, and includes 19.5 acres for public open spaces, including a four-acre Ferry

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Park and a two-acre recreational park adjacent to the residential area; land for the large parking structures between Clay and Washington Streets; and land for the Clay Washington freeway ramps.

F. Marketability of Land for Other Uses

In the previous report, an airlines terminal was recommended for construction within the project area. Since such a facility is already under construction elsewhere in the city, this type of installation must be eliminated from further consideration. However, it is entirely conceivable that the airlines would look favorably upon this area as a pick-up point which would be immediately accessible to the freeway, and would obviate the need for going through city traffic to reach the airport. This could perhaps be in connection with the heliport which has been tentatively planned in the harbor just off the docks near the Ferry Building, or it might be located in one of the proposed office buildings in the Project Area where it would serve the entire financial district.

That portion of the project bounded by Pacific, Broadway, Embarcadero and Front Streets which was shown as Light Industrial in the Skidmore, Owings & Merrill Plan has now been eliminated as industrial. There was some discussion about the possibility of extending the apartment house area into these blocks. However, in view of the necessity of up-grading the rental schedule for economic reasons, we advise against this, and instead designate that area for Motor Hotel use, as previously stated on page 33 of this report.

VI. DEVELOPMENT OF A MARKETING PROGRAM

Our original report was prepared of necessity in the absence of even a generalized physical plan for the redevelopment area.

It is satisfying to note that the Skidmore, Owings & Merrill preliminary plan coincides closely with our original report. The Skidmore, Owings & Merrill Plan was prepared before the decision was made to defer that portion of the area located to the west of Battery Street, and included 2,300,000 net square feet of office space. We do not doubt that ultimately this much space will be required. However, in our present projection, which extends for a period of

The first of these was the discovery of gold in California in 1848. This discovery led to a great influx of people to California, and the state became a great center of population and commerce.

THE GOLD RUSH

The discovery of gold in California in 1848 led to a great influx of people to California, and the state became a great center of population and commerce. The gold rush was a great event in the history of the United States, and it led to the development of many of the great cities of the West. The gold rush was a great event in the history of the United States, and it led to the development of many of the great cities of the West.

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five years beyond July, 1961, we feel that consideration of net office space of 1,250,000 square feet should be the appropriate amount for this phase of the redevelopment program. However, as the second phase gets under way, those blocks west of Battery would be appropriate for additional office space, connecting the existing financial district with Area "E".

After omitting block 3715 south of Mission and blocks 207, 228 and 229 west of Battery, there remains a net area of office space of 1,219,500 square feet according to the Skidmore, Owings & Merrill Plan. This would be an appropriate amount for the first phase of the program.

VII. CONCLUSIONS AND RECOMMENDATIONS

Our revised recommendations and findings have been set forth in preceding sections of this up-dated report. It is still our opinion that a considerable market exists for this land, and that it should find a ready sale.

We concur with the Skidmore, Owings & Merrill preliminary plan, after omission of blocks 3715, 207, 228 and 229 from the first phase of their redevelopment program, leaving a net area of office space of 1,219,500 square feet.

We concur with the omission of light industry from the redevelopment program of Area "E", and recommend instead the development of a two- or three-story Motor Hotel, with 200 to 300 rooms, restaurant, cocktail lounge, meeting rooms and first class hotel service, facing the interior of the project, with adequate parking for guests and patrons at the rear.

We concur with the Skidmore, Owings & Merrill Plan for development of 1,600 apartments in five 22-story buildings. However, we recommend that our schedule of apartment sizes should be given consideration, since this has been prepared with FHA requirements for Section 220 in mind.

We concur with the report on proposed parking garages for Redevelopment Area "E", dated January, 1958, and prepared by the Bureau of Engineering, Department of Public Works, City and County of San Francisco, for the Parking Authority.

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and settlement, followed by a period of rapid expansion and industrialization. The American Revolution and the Civil War were pivotal moments in the nation's history, shaping its identity and values.

The United States has a rich and diverse cultural heritage. The contributions of immigrants from various parts of the world have shaped the nation's identity. The American dream, the pursuit of happiness, and the principles of liberty and justice are central to the nation's history. The history of the United States is a testament to the resilience and ingenuity of the American people.

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We feel that provision should be made for 22,000 square feet of net retail sales area. Since this sales space has to be in one locality, strategically located within the project, it will have to be provided at such time when the development stage reaches such location. When this installation is first made, it may have to be limited to the market and drugstore, representing about half the ultimate area. Since the entire space will most likely have to be built at one time, the balance of the space could be leased on a temporary basis for some other use until the population within the project would warrant completion of the entire retail installation.

We recommend that provision be made for a small multi-purpose theater-meeting hall of about 25,000 square feet and 300-seat capacity. This could be used for showing of films, plays, concerts, lectures, expositions, etc.

Other installations could be provided within the various commercial buildings, such as private clubs, professional societies, exhibit halls, library, post office, ticket agencies, air-line secondary depot, restaurants, etc.

Regardless of the current decline of the national economic barometer, we continue to be impressed with the dynamic quality of the Bay Area, with the functional importance of downtown San Francisco in the whole complex of the western states, and with the certainty of its continued sound growth.

As a consequence, if Redevelopment Area "E" did not exist, it would have to be invented. It is essential to the orderly planned growth of the central city --- to the ultimate stature of the Bay Area.

The site is unique in its prominent location, efficient in its functional position, logical in its ultimate development and brilliant in its design conception.



THE HISTORY OF THE UNITED STATES

CHAPTER I
THE DISCOVERY OF AMERICA
The first discovery of America was made by Christopher Columbus in 1492. He sailed from Spain and reached the island of San Salvador in the West Indies. This was the first of many voyages that he made to the Americas, which eventually led to the European colonization of the continent.

CHAPTER II
THE EARLY SETTLEMENTS
The first permanent European settlement in North America was founded by the Spanish in 1565 at St. Augustine, Florida. Other early settlements were founded by the French, Dutch, and English, each bringing their own unique cultural influences to the New World.

CHAPTER III
THE REVOLUTIONARY WAR
The American Revolutionary War was fought between the thirteen original colonies and Great Britain from 1775 to 1783. The war resulted in the colonies gaining independence and the formation of the United States of America.

CHAPTER IV
THE WESTERN EXPANSION
The Western Expansion was a period of significant growth and exploration in the United States, lasting from the late 18th century to the mid-19th century. It was characterized by the westward movement of settlers and the discovery of new territories.

CHAPTER V
THE CIVIL WAR
The American Civil War was fought between the Union and the Confederacy from 1861 to 1865. It was a pivotal moment in American history, as it resulted in the preservation of the Union and the abolition of slavery.

CHAPTER VI
THE RECONSTRUCTION
The Reconstruction period followed the Civil War, lasting from 1865 to 1877. It was a time of significant change and challenge, as the nation sought to rebuild and reunite itself after the devastation of the war.

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The economic factors we have described bear out the original judgment and the vision of the Planning Commission, the Redevelopment Agency and the civic groups who have conceived and supported the plan. We confidently look forward to the development of your program, and stand ready to be of assistance as our services are required.

Respectfully submitted,

WESTERN REAL ESTATE RESEARCH CORPORATION

Robert B. Filley

by Robert B. Filley
Vice-President

